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Japan

U.S. Dissatisfaction Over Tokyo Talks Denied

OW0407130290 Tokyo KYODO in English 1248 GMT 4 Jul 90

[Text] Washington, July 4 KYODO—The United States has expressed to Japan its dissatisfaction and concern over the outcome of the Cambodian peace talks held in Tokyo early last month, informed sources here said Wednesday. According to the sources, Washington is dissatisfied with the joint communique signed in Tokyo on June 5 because it failed to incorporate the phrase "a comprehensive political settlement of the Cambodian conflict under United Nations auspices."

Cambodian resistance leader Prince Norodom Sihanouk and Prime Minister Hun Sen of the Vietnamese-backed Phnom Penh government signed the Tokyo communique, which called for self-restraint in the use of force by all factions to end the 11-year Cambodian war.

However, Khieu Samphan, delegation leader of the Khmer Rouge, boycotted the two-day conference and refused to sign the communique. The communique said, "...both parties took note of the result of the latest meeting of the five U.N. Security Council permanent members which had been released on May 26, 1990."

However, the U.S. Government pointed to the fact that the Tokyo communique did not refer to "a comprehensive political settlement" stressed by the U.N. Security Council on May 26, the sources said.

The Tokyo conference was the first in which Japan has acted as host to major international peace talks.

Meanwhile, Japanese Foreign Ministry officials denied a report that Washington has conveyed to Tokyo its dissatisfaction and concern over the Tokyo peace talks. The officials said that a U.S. State Department official in charge of the Cambodian problem visited Japan and kept close contact with Japanese officials during the Tokyo peace meeting.

Japan will make further diplomatic efforts based on the Tokyo talks in order to push the Cambodian peace negotiations in the right direction, the officials added.

Iranian Envoy Urges Help To Improve U.S. Ties

OW0407111690 Tokyo KYODO in English 1042 GMT 4 Jul 90

[Text] Tokyo, July 4 KYODO—Iranian Ambassador to Japan Hosein Kazempur-Ardebili asked Japan's former Foreign Minister Shintaro Abe on Wednesday to help Iran improve ties with the United States, officials said. Kazempur-Ardebili also called for Japanese economic assistance to Iran.

Abe, currently head of the second largest power group within the country's ruling Liberal Democratic Party (LDP), told the ambassador that American sentiment toward Iran appears to be turning better. Abe, who visited the U.S. last month as a government envoy at events marking the 30th anniversary of the Japan-U.S. Security Treaty, promised to convey Kazempur-Ardebili's request to government officials.

The U.S. severed diplomatic ties with Iran in April 1980, five months after Iranians seized the U.S. Embassy in Tehran and took 52 Americans hostage.

The United States sent a planeload of relief supplies through the United Nations to Iran after it was hit by a killer earthquake last month, according to Iran's state-run IRNA NEWS AGENCY.

Reportage of Presummit Comments Continues

Kaifu, Bush To Review Policy

OW0507065890 Tokyo KYODO in English 0622 GMT 5 Jul 90

[Text] Tokyo, July 5 KYODO—Prime Minister Toshiki Kaifu plans to review bilateral ties and coordinate Japan's policy approach with U.S. President George Bush in a bilateral meeting in Houston, Texas, ahead of the economic summit of seven industrialized nations next week, a Foreign Ministry official said Thursday.

The official, briefing reporters on the Kaifu-Bush meeting set for Saturday, said he anticipates no controversial issue to arise during the two-hour session, the only bilateral setup so far between Kaifu and other leaders of the nations taking part in the three-day summit beginning Monday.

Kaifu and Bush will first meet for 30 minutes joined only by a few close aides before they move on to a working luncheon that will include cabinet ministers from both countries who will be in Houston for the annual economic summit, the official said.

The summit brings together the leaders of Japan, the United States, West Germany, France, Italy, Britain and Canada. The European Community leader also attends, but without full membership in the summit group.

Apart from Kaifu, who leaves for Houston on Friday, all other summit leaders were meeting in London Thursday for a two-day NATO summit.

The Saturday meeting between Kaifu and Bush will cover bilateral ties as well as all major international issues that are expected to come up at the summit, the Foreign Ministry official said. The official, speaking on a background basis, said Kaifu will hear from Bush on the outcome of the NATO summit which is expected to be reflected in the discussions at the Houston summit.

"A common understanding between Japan and the United States is important" in overriding differences among Western powers in dealing with China, the official said. Japan is looking to unfreeze an 810 billion yen loan package committed to China in 1988, but held up as

part of Western sanctions against the Chinese Government in the wake of the bloody military crackdown of pro-democracy demonstrators in Beijing last year.

The official said both Japan and the United States "share the same basic stand" on China in encouraging Beijing to stick to its reform and open-door policy.

On bilateral ties, Kaifu and Bush will also discuss the outcome of the Japan-U.S. Structural Impediments Initiative (SII) and are expected to renew their commitment to the bilateral security pact. The backbone of Japan's defense, the 1960 Mutual Security Treaty marked the 30th anniversary of its coming into force last month.

The official said the two leaders will let each other know their evaluation of the year-long SII talks. A final report released last week committed both countries to initiate a series of economic and fiscal policies, including massive public investment in Japan, to further ease the environment for trade and investment.

"There is no major economic dispute pending between our two countries now," the official said in predicting a smooth meeting between Kaifu and Bush.

The Houston meeting is the third between the two leaders since Kaifu came to office in August. They last met in Palm Springs, California, in March.

After the Houston summit, Kaifu will fly to Atlanta where he plans to deliver a speech setting out the role Japan will play in the search for a "peaceful and affluent world" and for closer partnership between countries in the 1990s.

Summit To Urge Democratization

OW0307143390 Tokyo KYODO in English 1401 GMT 3 Jul 90

[Text] Tokyo, July 3 KYODO—Leaders of the world's seven major economic powers will call for more global democratization efforts in a political statement to be issued next week in Houston, Texas, Japanese Government sources said Tuesday.

Heads of state or government from Britain, Canada, France, West Germany, Italy, Japan, and the United States will issue the declaration on the second day of the July 9-11 Houston summit, the sources said. The seven countries reached the agreement in a meeting of deputy foreign minister-level officials in New York late last week.

The political statement will welcome Eastern Europe's rapid reforms toward democracy since last year and will pledge the seven countries' determination to help encourage global democratization efforts, the sources said. However, the seven powers have so far failed to agree on whether to incorporate in the statement economic assistance to the Soviet Union and China. Summit leaders will discuss the matter in Houston, the sources said.

West Germany and France have proposed full-fledged economic support for the Soviet Union to help promote President Mikhail Gorbachev's perestroyka restructuring policy. But Japan, Britain, and the U.S. are reluctant to respond to the Franco-German call.

The United States is cautious about the lifting of economic sanctions on China, imposed after the military crackdown on the pro-democracy movement June 4, 1989. Japan hopes to resume providing China with a 1990-1995 package of loans totaling 810 billion yen because of the departure of dissident scientist Fang Lizhi to Britain, the sources said.

The statement will also take up U.S. President George Bush's proposal to throw support behind Panama and Nicaragua and discuss democratization efforts in Asia, the sources said.

Japanese Prime Minister Toshiki Kaifu, the sole summiteer from the Asian region, will call for support for democratization efforts in Mongolia, Myanmar [Burma], and Nepal, the sources added.

Kaifu on Surplus Issue

OW0407124890 Tokyo KYODO in English 1231 GMT 4 Jul 90

[Text] Tokyo, July 4 KYODO—Prime Minister Toshiki Kaifu will pledge at the Houston Summit of major industrialized nations next week that Japan will continue efforts to reduce its foreign trade imbalance, government sources said Wednesday. The sources said Kaifu will avoid any stance that suggests Japan's trade and current account surplus is necessary to meet demand for funds to support economic reforms in East European countries.

The theory was proposed by some government officials, but Kaifu decided to drop it in view of anticipated reaction from the host United States. Japan's trade imbalance with the United States accounts for a large portion of its global surplus.

The prime minister will tell Western leaders at the summit the successful conclusion of the Japan-U.S. Structural Impediments Initiative (SII) talks will contribute to the development of the world economy, the sources said.

Kaifu will stress the need for policy coordination among industrialized Western nations to sustain expansion of the world economy, they said.

European countries harbor suspicion that a Japan-U.S. agreement on the SII talks will benefit only the United States.

On the Uruguay Round of multinational trade talks under the General Agreement on Tariffs and Trade (GATT), Kaifu will express his hope for a conclusion of the negotiations by the end of this year as scheduled.

Kaifu, however, will reiterate Japan's standing policy aimed at maintaining self-sufficiency in food production, the sources said. He will appeal to other Western countries to support ongoing reforms in East European countries on grounds that expansion of the market economy sphere will contribute to expansion of the world economy, they said.

The forthcoming summit will bring together leaders of the United States, Canada, Britain, France, Italy, West Germany and Japan.

Kaifu Asked To Represent Asia

OW0507032590 Tokyo KYODO in English 0301 GMT 5 Jul 90

[Text] Tokyo, July 5 KYODO—South Korean President No Tae-u spoke to Japanese Prime Minister Toshiki Kaifu by telephone for 15 minutes Thursday and asked him "to assume a leadership role" as the Asian representative at the Houston economic summit next week, Foreign Ministry officials said.

No was also quoted by the officials as asking Kaifu to convey Seoul's positions to his six partners at the July 9-11 economic summit of major industrialized nations in Houston. When the Korean peninsula is considered at the meeting, No suggested that Kaifu pass on the gist of discussions the two leaders had on the matter when No visited Japan in May.

No also urged Kaifu to consider the interests of the Asian newly industrializing economies during the summit talks, saying their development also benefits the global economy.

Kaifu promised to do his best at the summit, which is expected to focus on the rapid changes in Europe, to direct attention to Asia, especially to the improving situation on the Korean peninsula.

Kaifu told No that immediately after the summit Japan will dispatch Deputy Foreign Minister Koji Watanabe to Seoul to brief South Korean officials on the talks, officials said.

No said he hoped that a dialogue would develop between Japan and North Korea and that it would help talks between Seoul and Pyongyang and contribute to a relaxation of tension between the Koreas.

He also indirectly expressed concern over North Korea's growing nuclear capabilities, telling Kaifu that Pyongyang should agree to safeguard inspections of its nuclear facilities by the International Atomic Energy Agency. No suggested that Japan should keep the matter in mind when pursuing a dialogue with Pyongyang, the officials said.

South Korean Defense Minister Yi Sang-hun has warned that North Korea could begin manufacturing nuclear weapons by the mid-1990s.

Kaifu To Press for Asian Issues

OW0507115890 Tokyo KYODO in English 1105 GMT 5 Jul 90

[Text] Tokyo, July 5 (KYODO)—Prime Minister Toshiki Kaifu said Thursday on the eve of his departure for the Houston summit of seven industrialized nations that peace in Asia is a key to world prosperity.

Addressing a ceremony marking the declaration of Japan's delegation to the July 9-11 summit, Kaifu said he plans to explain to leaders of the major industrialized nations Japan's position on developments in Asia.

"Japan must contribute to world peace and to building a new world order," he told the gathering at his official residence attended by accompanying ministers, bureaucrats, and media. Kaifu said he wanted to contribute to the worldwide trend toward democratization.

The gathering capped a final day of preparation for the summit which included a customary meeting to exchange views on the art of summitry with former premiers.

At the meeting former Prime Minister Yasuhiro Nakasone said it is in Japan's national interest to support China's efforts to develop a market economy and promote democratization, a top government spokesman said.

Assistance to the Soviet Union is likely to be one of the major items on the summit agenda for discussion among leaders of Britain, France, Canada, Japan, Italy, West Germany and the United States plus the president of the European Community Commission.

Kaifu was urged by the former premiers to state Japan's support for China, Chief Cabinet Secretary Misoji Sakamoto said. Former Prime Minister Yasuhiro Nakasone said it is in Japan's national interest to support China's efforts to develop a market economy and promote democratization, Sakamoto said. "At the summit, nations must cooperate but it is also important for each country to state their national interest," Nakasone was quoted saying.

Former premiers Noboru Takeshita and Zenko Suzuki also urged Kaifu to support the unfreezing of an 810 million yen loan package for China, on hold since Beijing's violent suppression of prodemocracy demonstrations a year ago.

On the Soviet Union, Suzuki asked Kaifu to stress at the summit the importance of resolving Japan's territorial dispute with the Soviet Union over islands of Habomai, Shikotan, Etorofu, and Kunashiri northeast of Hokkaido.

Nakasone said offering financial assistance to the Soviet Union would be "meaningless at this time," but that Japan should promote personnel and technical exchanges. Former Prime Minister Takeo Fukuda

stressed the importance of addressing global environmental problems and the world's rapidly expanding population.

Kaifu departs Friday afternoon for Houston, and will hold a presummit meeting with U.S. President George Bush on Saturday. He is slated to visit Atlanta and Colorado Springs before returning to Tokyo July 15.

Rogachev Urges Asia-Pacific Initiative

OW0407041590 Tokyo KYODO in English 0353 GMT 4 Jul 90

[Text] Moscow, July 3 KYODO—Soviet Vice Foreign Minister Igor Rogachev on Tuesday urged Japan to take the initiative with the Soviet Union in creating a Soviet-Japan-U.S. trilateral leadership forum, to be joined by China later, in the Asia-Pacific region to discuss "wide-ranging, fundamental problems." The Soviet Union has until now insisted on a collective Asian security framework for regional cooperation and security.

Rogachev said in an exclusive interview with KYODO NEWS SERVICE at the Foreign Ministry that the two nations should take an initiative to set a start toward a leadership-level regional meeting in the Pacific.

On a planned summit talks between Japan and the Soviet Union next year, Rogachev said, "We are ready to discuss all problems, but we oppose circling around any singular issue. We must raise the talks to a higher level." Rogachev was alluding to the Japanese stance that resolution of the territorial dispute over a group of islands off Hokkaido should precede conclusion of a peace treaty.

He said the bilateral relations between Tokyo and Moscow should be promoted to a higher and broader framework, matching those in Soviet relations with the United States and Western Europe.

Soviet President Mikhail Gorbachev is expected to make a historic visit to Japan early next year in an attempt to break the deadlock in bilateral relations.

While assessing that Moscow-Tokyo relations have been progressing positively lately, Rogachev said Japanese proposals for improving bilateral ties include preconditions and therefore fall short of the quality worthy of such powers as the Soviet Union and Japan. Rogachev was referring to an "eight-point" proposal by former Japanese Foreign Minister Shintaro Abe earlier this year and the government-backed concept of developing relations on an "expanded balance."

He noted that the Soviet Union and the United States leaders in their summit meeting last month signed some 20 documents.

"The world is revolving at an incredible pace. What was considered inconceivable yesterday is possible today, Rogachev said.

He said it was extremely important for the security in the Asia-Pacific region that Japan is seeking an easing of tensions both politically and militarily, and added that improved ties with the Soviet Union will in no way damage the existing security framework between Japan and the U.S.

Normalization of Soviet ties with South Korea will be conducted within the framework of "normalization of the Korean peninsula," Rogachev said. Such a complicated issue as the relations between Japan and North Korea, void of diplomatic relations, can be solved at a later time, he said.

Rogachev said the Soviet Union is carefully observing Japan's offer of "intellectual assistance" to perestroyka (restructuring) and help in recovery from the damage inflicted by the 1986 Chernobyl nuclear plant disaster.

Soviet Foreign Minister Eduard Shevardnadze will visit Japan in early September, reciprocated by a visit to Moscow by Japanese Foreign Minister Taro Nakayama in December, to set the stage for Gorbachev's visit to Japan slated for early 1991, Rogachev said. In line with this schedule, vice ministerial meetings will be held by early August, to be immediately followed by working-level sessions for conclusion of a peace treaty, Rogachev said.

Government Set To Resume Economic Aid to China

OW0407032390 Tokyo KYODO in English 0249 GMT 4 Jul 90

[By Shiro Yoneyama]

[Text] Washington, July 3 KYODO—Japan is poised to resume economic aid to China despite the absence of an improvement in the communist country's human rights record, Japanese diplomats said Tuesday. The projected move, which will come sometime after next week's summit of seven major industrial nations, has aroused concern among U.S. Government officials worried about a likely negative reaction from some U.S. legislators.

During the summit to be held in Houston, Texas, on July 9-11, Prime Minister Toshiki Kaifu will urge the other summiteers to "encourage" China's economic and political reform as a way to improve the human rights condition in China, a senior Japanese diplomat said.

The Japanese Government has welcomed as a "positive signal" China's recent decision to let leading dissidents Fang Lizhi and his wife Li Shuxian leave the country. "We hope we will get international understanding" of Japan's plans to start releasing an 810 billion yen loan package to China for the fiscal 1990-95 period, frozen because of the military crackdown on pro-democracy demonstrators in Beijing last year, the diplomat said.

Another senior Japanese diplomat, however, said that Fang's release was only one of a number of preconditions for resuming Japanese aid to China. "I can't imagine the

summit leaders will bypass China's human rights issue," the diplomat said, speaking on condition of anonymity.

He said the Chinese raised the stake in the Fang case by prolonging its resolution. "Undoubtedly, Fang's release is the most positive signal that China has sent" to the West, the diplomat said.

The Japanese diplomats hinted that Beijing may take additional but unspecified conciliatory measures shortly. The steps might include stopping jamming Voice of America broadcasts.

A high-ranking Japanese official said after meeting with U.S. Government officials that the U.S. is unlikely to change its policy of limiting international lending to China to "humanitarian purposes." But unlike the loans of the World Bank and other lending agencies, Japan's 810 billion yen package is purely related to economic development projects.

A former ambassador to China, President George Bush has taken a number of controversial steps since the military crackdown in Tiananmen Square, including sending his national security adviser Brent Scowcroft on a secret mission to China and extending Most Favored Nation (MFN) trade status.

A senior U.S. official has warned that the U.S.-Japan-Western Europe "trialogue" will be in jeopardy if Tokyo proceeds without a summit consensus on the Chinese aid issue. French President Francois Mitterrand is strongly opposed to lifting sanctions against China, a senior Japanese official said, adding, however, that other European countries are "preoccupied with events in Eastern Europe" and are not bothered about China.

"I would very much doubt that Japan would do anything that is largely out of step with the general direction of what the other countries agree to do," a U.S. Government source said. "I imagine they will try to reach a reasonable unity of approach on the issue, one way or another," he predicted.

PRC's Zhu Calls for Normalized Ties, Loans

OW0407145990 Tokyo KYODO in English 1342 GMT 4 Jul 90

[Text] Tokyo, July 4 KYODO—Senior Chinese Communist Party official Zhu Liang on Wednesday expressed the hope that Japan and China will restore their relations to normal to allow a resumption of frozen Japanese loans, Japan Socialist Party [JSP] officials said.

Zhu, head of the Chinese Communist Party's International Liaison Department, met JSP Chairwoman Takako Doi at the party's headquarters, telling her that Sino-Japanese bilateral ties are experiencing temporary difficulty. Japan froze an 810 billion yen loan package to China for 1990-1995 in the wake of the military crackdown on pro-democracy demonstrators in Beijing in June last year.

Turning to Korea, Zhu said he expects improved ties between Japan and North Korea, adding that the momentum toward reunification of the two Koreas is inevitable and that other nations should not hamper the move.

Zhu is currently on an eight-day visit to Japan since Monday as a guest of Japan's ruling Liberal Democratic Party.

Kuriyama Asks China To Influence Khmer Rouge

OW0407125390 Tokyo KYODO in English 1242 GMT 4 Jul 90

[Text] Tokyo, July 4 KYODO—Vice Foreign Minister Takakazu Kuriyama on Wednesday met in Tokyo with high-ranking Chinese Communist Party official Zhu Liang and called on China to exercise its influence over the Khmer Rouge guerrilla faction in Cambodia, Foreign Ministry officials said.

The officials said Kuriyama also told Zhu, head of the Communist Party's International Liaison Department, that Japan would like to see China make greater efforts at improving its ties with the West.

Kuriyama was quoted as asking China to do what it can to encourage the Khmer Rouge to acquiesce to the joint communique signed in Tokyo early last month between Cambodian resistance leader Prince Norodom Sihanouk and Phnom Penh government Premier Hun Sen.

China is the main backer of the Khmer Rouge, the militarily strongest of the three resistance factions. Khmer Rouge leader Khieu Samphan came to Tokyo, but refused to participate in the talks or to accede to the final communique, charging that his faction was not given an equal footing with the Phnom Penh government.

Zhu told Kuriyama that China considers that "the time has come" for peace to be achieved in Cambodia, the officials said.

Kuriyama reportedly praised Zhu on the agreement reached in Beijing on Tuesday between Chinese Foreign Minister Qian Qichen and his Indonesian counterpart 'Ali Alatas to restore relations between the two countries on August 8 after a 23-year hiatus.

Zhu is visiting Japan at the invitation of the Japan's ruling Liberal Democratic Party (LDP).

Observers To Be Sent to Paris Cambodian Talks

OW0507093990 Tokyo KYODO in English 0905 GMT 5 Jul 90

[Text] Tokyo, July 5 (KYODO)—Japan will send two foreign ministry officials to Paris for talks on Cambodia ahead of the July 16-17 meeting of the five permanent members of the United Nations Security Council, Ministry sources said.

The sources said the two officials will hold informal consultations next week in Paris with their counterparts from France, Britain, and the United States. China and the Soviet Union comprise the remaining two members of the council.

If the four warring Cambodian factions fail to meet beforehand in Bangkok, the so-called Perm-5 meeting in Paris will represent the first major step in the Cambodian peace process since Japan hosted talks early last month between tripartite resistance coalition leader Prince Norodom Sihanouk and Phnom Penh Government Premier Hun Sen.

The Perm-5 meeting is expected to address the prospect of a U.N. role in smoothing over the transition from a ceasefire to the holding of elections in the event of a peace agreement among the four factions.

But the extent of U.N. involvement will hinge on the still-ambiguous role to be played by the Supreme National Council (SNC), which Sihanouk and Hun Sen have agreed to form "to symbolize Cambodia's neutrality, national sovereignty and national unity."

The Perm-5 members are also expected to address the issue of how to deal with the Chinese-backed Khmer Rouge, the strongest of the guerrilla factions fighting Hanoi-backed Phnom Penh. Japanese sources expressed dismay that the Khmer Rouge appears to have recently hardened their opposition to the SNC format agreed to in Tokyo, in which equal representation was accorded on the basis of "two governments" rather than "four factions."

At the conclusion of last May's Perm-5 meeting in New York, the members issued an invitation to the four factions to join them in discussions at their next meeting in Paris.

But the Japanese sources said there is a possibility that the four factions will not go to Paris as originally anticipated.

Normalization of Sino-Indonesian Ties Welcomed

OW0307142390 Tokyo KYODO in English 1400 GMT 3 Jul 90

[Text] Tokyo, July 3 KYODO—Japan on Tuesday welcomed the reestablishment of ties between China and Indonesia, saying better relations between China and Southeast Asia will help China promote reform and open-door policies.

Foreign Ministry Spokesman Taizo Watanabe said Japan welcomes the normalization as a move that would contribute to peace and stability in Asia. The normalization will have a favorable influence to help end the war in Cambodia and be a major factor to bring a relaxation of tensions in Asia, Foreign Ministry sources said.

More Reports on Visit of Peru's President-Elect

Fujimori on Financial Plans

OW0407165490 Tokyo KYODO in English 1510 GMT 4 Jul 90

[Text] Tokyo, July 4 KYODO—Peru's President-Elect Alberto Fujimori said Wednesday that he plans to increase indirect taxes and income taxes of high income earners in order to save the country's crippling economy.

Fujimori said that, if possible, he wants to raise indirect taxes such as the gasoline tax in August just after taking office on July 28 and to increase income levies on high income earners for a certain period. However, he gave no further details. This was the first time that the 51-year-old Peruvian president-elect has revealed concrete financial measures to bail out his debt-ridden country.

Peru owes 17.5 billion dollars to foreign creditors, including the International Monetary Fund (IMF) and the World Bank.

Fujimori, the son of Japanese emigrants to Peru, made the remarks in an interview with KYODO NEWS SERVICE aboard an airliner flying back to Tokyo from a one-day journey to the rural hometown of his parents in Kumamoto on the southernmost main island of Kyushu.

The tax increase plan is expected to draw fire from wealthy white people in Peru, who supported internationally renowned novelist Mario Vargas Llosa in the run-off presidential election on June 10.

Fujimori arrived in Tokyo on Sunday from New York on the second leg of a three-nation pre-inauguration tour. In New York, he met officials of the United Nations, IMF, World Bank and Inter-American Development Bank as part of his pledge to put Peru back on good terms with international institutions.

Both the World Bank and the IMF have cut all fresh loans to Peru since 1985 due to the country's refusal to make payments on its external debts.

Fujimori said Peru is ready to hold talks with the IMF to receive bridging loans from it. However, he added that Lima will not necessarily accept the IMF's economic restructuring plan as it is.

During a five-day stay in Japan, Fujimori met Prime Minister Toshiki Kaifu and other Japanese political and business leaders to ask for Japanese financial support to overcome the country's economic difficulties, including an inflation rate which last year reached 2,775 percent.

Fujimori will leave Japan for South Korea, the last stop on his tour, on Thursday.

More on Future Plans

PY0407140090 Madrid EFE in Spanish 1334 GMT 4 Jul 90

[Text] Kawachi (Japan), 4 Jul (EFE)—Peruvian President-elect Alberto Fujimori announced here today that, in addition to rejoining the world financial community, his government's first actions will be to levy temporary taxes on the wealthy and to offer dialogue to the Shining Path organization.

Returning to Tokyo from Kumamoto, the home province of his parents where he honored his ancestors, Fujimori told a small group of journalists that as soon as he is inaugurated he will have to adjust the prices of consumer and export goods to make them more realistic and profitable.

700 Million Yen Loan Planned

OW0507132990 Tokyo KYODO in English 1257 GMT 5 Jul 90

[Text] Tokyo, July 5 (KYODO) - Japan will give Peru an estimated 700 million yen grant for an irrigation project to boost the Latin American country's food production, a government source said Thursday. The decision was prompted by Peruvian president-elect Alberto Fujimori's five-day visit to Japan, which ended Thursday. The visit aimed at collecting foreign aid required to reconstruct the nation's beleaguered economy, the source said.

Prime Minister Toshiki Kaifu has already informed Fujimori of his government's plan to furnish the unconditional grant during their talks held Monday, he said. The funds will go into the restoration of an irrigation project located in Chancay Huarel, a valley 80 kilometers north of Lima, Peru's capital.

If all goes according to plan, 20,000 hectares of farmland will benefit from the renovation of an obsolete irrigation channel and boost the nation's production of tomatoes, beans, and corn, he said. The production of agricultural goods has recently fallen drastically in Chancay Huarel, Lima's primary food source. By raising the productivity of the region's farmland, the aid should help to stabilize the livelihood of the residents of Lima, he said.

Union Leader Suggests JSP, DSP, USDP Merge

OW0407055490 Tokyo KYODO in English 0312 GMT 4 Jul 90

[Text] Tokyo, July 4 KYODO—Japan's three major socialist parties should dissolve, and supporters join a single new party able to win power and bring about true political reform, the chairman of the 160,000-member Japan Postal Worker's Union, Satoru Kawasuzaki, said in a keynote address Wednesday at the opening of the union's annual general meeting.

The Japan Socialist Party (JSP), the Japan Democratic Socialist Party (DSP), and the United Social Democratic Party (USDP) should first dissolve themselves to make this possible, Kawasuzaki said, the first national union leader to advocate such a drastic solution to the fractured opposition's search for unity.

Kawasuzaki said the current political environment in Japan did not reflect the ethics of the common citizen and was distorted by the influence of money. But a change for the better would be possible if the various opposition parties in the social democratic camp found a way around the differences that divide them, united forces, and brought about a change of government, the union boss said.

Kawasuzaki said that the JSP should bear bigger responsibility as a leader of the opposition camp.

Japan Socialist Party Vice Chairman Makoto Tanabe backed Kawasuzaki's proposal, saying that democratic socialist forces should merge into one party in a couple of years to seize power from the ruling Liberal Democratic Party (LDP). Tanabe made the call in a speech to the annual convention of the union in Kobe.

The three socialist parties should be merged into one party by the summer of 1992 at latest when the next House of Councillors election will be held, Tanabe said. He also said the social democratic forces hope to deepen relations with Komeito, a party affiliated with a Buddhist sect.

Tanabe urged labor and press groups and other opposition parties to set up a liaison committee to discuss the establishment of a shadow cabinet. One of the major tasks for politicians now was how to form the new political order in Japan, Tanabe said.

The JSP must be prepared to develop administrative abilities to enable it to take over power from the LDP, he said.

Japan Communist Party To Hold Convention

OW0507105890 Tokyo KYODO in English 0856 GMT 5 Jul 90

[By Tadashi Matsumoto]

[Text] Tokyo, June 5 (KYODO)—The Japan Communist Party (JCP) will hold a convention next week in a bid to impress Japan's 90 million voters with its open, democratic stance to bounce back from recent election defeats in the wake of upheavals in Eastern Europe and China, party officials said. The collapse of communist rule in East European countries and China's suppression on the student-led pro-democracy movement last year appears to have exerted a continuing adverse impact on the 500,000-member JCP.

The party suffered severe setbacks in the House of Councillors election in July last yea, and in the general election for the House of Representatives in February this year. It currently occupies 16 of the 512 seats in the powerful lower chamber, making it fourth in terms of

strength after the Liberal Democratic Party, the Japan Socialist Party and Komeito.

The four-day party convention will be held in the hot spring resort of Atami, Shizuoka Prefecture from next Monday. It will discuss the party's policies with regard to Stalinism, perestroyka, the communist bureaucratic system, hegemonism and great power policies, party officials said.

The convention, the first to be held in more than two years, will also discuss personnel affairs, including whether senior party leader Kenji Miyamoto, 81, will retire from the party, as reformist party members have been demanding.

The last party convention was held in November 1987.

Hiroshi Tachiki, a senior member of the JCP permanent presidium, said the convention will proclaim the party's continuing effort to develop "scientific socialism." Tachiki, who is also a House of Councillors member, said the JCP will confirm "a system of democratic centralism." This internationally known communist theory means all communist party members must follow a policy after a majority decides it.

The crackdown on pro-democracy demonstrations by the Chinese government and the collapse of East European communist regimes have had an adverse impact on the JCP in seeking the support of the Japanese people, Tachiki said. But, he said the upheavals in Eastern Europe and China do not mean the collapse of socialism, but rather that the bureaucratic and great power policies of Josef Stalin and Leonid Brezhnev had failed.

Tachiki was critical of Soviet President Mikhail Gorbachev, saying that his perestroyka policy has inflicted damage on the "class benefits" of the people. He said the United States has exploited perestroyka to advance its world strategy and block the liberation movements in South Africa and Palestine.

Turning to the JCP leadership problems to be discussed in the upcoming convention, Tachiki said that the question of whether Central Committee Chairman Miyamoto will retire or not will be decided in a fair manner at the convention. Miyamoto has led the party for almost half of its nearly 70-year- long history, since he became its general secretary in 1961. The party was founded in 1922.

Miyamato, who later became the presidium chairman and finally the Central Committee chairman, remains the supreme party leader above the incumbent presidium chairman, Tetsuzo Fuwa.

The JCP's official newspaper AKAHATA (RED FLAG) in recent editions has carried calls from rank-and-file party members opposed to Miyamoto's continued rule. They said Miyamoto should retire from the party due to his old age.

Michitoshi Takabatake, a professor at Rikkyo University, said the editing of AKAHATA was a tactic by party officials to show that the JCP is an open party that allows party members to be opposed to Miyamoto.

"The party, in fact, never permits factions in the party. It never allows its members to express differing views from decisions by the party presidium," Takabatake said. The presidium is dominated by "disciples" of Miyamoto, he said. "The JCP, which is not a party for workers but for left-inclined intellectuals, will manage to survive as a minority party in Japan in future," Takabatake said.

Report Calls for Broadened Industrial Policy

OW0407121390 Tokyo KYODO in English 0943 GMT 4 Jul 90

[Text] Tokyo, July 4 KYODO—Japan should widen the scope of its industrial policy in the 1990s to encompass the ongoing economic and social changes toward a higher quality of life at home and better harmony with the global community, a government report said Wednesday.

The report, prepared by a subcomittee of the Industrial Structure Council, an advisory panel to the minister of international trade and industry, said the government should respond wholeheartedly to the ongoing "paradigmatic shift" in the Japanese economy toward a more affluent lifestyle rather than greater production efficiency.

Placing top priority on improving the quality of life could force the government or industry to compromise on short-term economic efficiency, it noted. But this should be considered a cost that Japanese society as a whole should pay in seeking the primary objective of economic activities—improving the people's lot, the report said.

The policy shift recommendation is apparently based on "soul searching" of the Ministry of International Trade and Industry (MITI) about Japan's past industry-oriented economic administration. The virtual cult of national economic success has engendered a huge "imbalance" between the nation's economic power and the level of the people's livelihood, it admitted.

Japan's economic system, which has been highly developed as a wealth-producing machine, has somewhat lost sight of its original objective, resulting in a skewed distribution of wealth, it said. The report called for "going back to the starting point" and reviewing the system from its fundamentals.

The 187-page report, which was submitted to International Trade and Industry Minister Kabun Muto on Wednesday, analyzed the factors both within and outside Japan that are forcing a radical shift in industrial policy.

These include diversification of the people's demands, the aging of the labor force and the populace as a whole,

the persistent trade imbalance, the trend toward shorter working hours, and growing concerns about the environment.

These factors in combination require that the government extend the range of its industrial policy to cover society in its various facets as an entity rather than limit it to the economic aspect.

On the issue of harmonization of Japan's economy with the rest of the world, the report said that the country should reevaluate the so-called "Japanese style of corporate and trade practices" in an attempt to merge Japanese industrial activities with the global economy.

As for concrete measures, the report called for cutting the average annual working hours to 1,800, introducing a more flexible employment system, redressing the gap between prices in domestic and overseas markets, nurturing service industries that can meet diverse demands for leisure activities, streamlining the distribution system, and promoting firms' activities to become good corporate citizens.

It also urged the government to support efforts to improve working conditions for the aged and female workers.

On the international front, the report said Japan should further increase imports, transfer technology overseas, tailor its commercial practices to international standards, and make corporate procurements more openly and evenhandedly.

Also emphasized in the report is the importance of transforming Japan's production system into a more environmentally friendly one.

In this vein, the report said that all industries should promote energy-saving efforts and research aimed at developing technology to lessen damage to the environment in the course of production.

With regard to establishing the basis for long-term economic growth, the report drew attention to such points as stemming the ongoing flow of young people out of the manufacturing sector, augmenting basic research capacity, pushing the information revolution to a higher phase, and protecting intellectual property rights. All these measures should be integrated into a policy that brings about a better-balanced expansion of the economy, it said.

Equally indispensable for realizing well-balanced economic development are the liberalization of corporate financing and upgrading of social infrastructure, it said.

On corporate financing activities, the report said the current regulations embody too many restrictions, including those on the prime lending rate commercial banks charge the most creditworthy companies and on the issuance of corporate bonds and commercial paper. Drastic deregulation is necessary in these fields to expand the opportunities of direct fund rasing by companies, it said.

As for upgrading of infrastructure, it said more money should be spent on such facilities as sewage, parks, libraries, sports facilities, roads, airports, harbors, and resource-recycling facilities.

Quality of Life Emphasis Urged

OW0507122590 Tokyo KYODO in English 0940 GMT 5 Jul 90

[Text] Tokyo, July 5 (KYODO)—Japan's trade and industrial policy in the 1990s should focus on improving the fortune of the people rather than further building up the nation's already massive economic muscle, a government report said Thursday.

Through a radical shift in economic policy, the government should respond to a growing querying among the public of "the huge national wealth for what?" the report said.

The report, intended to set the direction of Japanese trade and industrial policy in the 1990s, is the outcome of some 90 discussion sessions by 200 experts from a wide spectrum of fields under the auspices of the Industrial Structure Council, an advisory panel to the minister of International Trade and Industry.

It called on the Ministry of International Trade and Industry (MITI) to redirect its policy toward nurturing a better quality of life at home and better harmony with the global community.

The latest "vision for the 1990s," the fourth such grand policy design for the decade, apparently mirrors MITI's bitter-sweet reflection on the past history of its policies which have helped make Japan a well-oiled production machine, but has also created harsh trade friction and left little feeling of fulfillment among the people.

Based on this recognition, the report advocated three guiding principles for MITI's administrative steering in the 1990s—contribution to the world community and promoting internal reforms, raising the standard of living at home, and establishing a foundation for long-term economic growth.

The report candidly admitted the shape of the nation's livelihood is deteriorating as manifested by such facts as unsatisfactory leisure time and poor working and housing conditions. Leaving such a state of affairs untended could drain society of its vigor and creativity, it warned.

Because of the seriousness of the problem, surmounting it should be given the highest priority in government policy in the 1990s, the report recommended.

Solving these domestic problems and upgrading the quality of life would also put Japan on the right track for meeting international calls to reduce its current account

imbalance and for Japan to play a more active role in the world, it said. In this vein, the report singled out the distribution system as a key sector for change, and called for advancing drastic streamlining and deregulation in line with Japan's pledge in the just-concluded Structural Impediments Initiative Talks with the U.S.

The report also stressed the significance of sharply cutting working hours and improving working conditions for older and female workers.

The last decade of the 20th century will also be a "make-or- break" period for Japan's international policy due to several rapidly converging challenges. With the threat from the communist bloc swiftly dissipating, friction among Western countries are claiming increasing attention.

And the friction itself is becoming more and more structural, cutting deep into the core of social and economic systems in many countries.

Moreover, Japan's fast growing economic clout is intensifying doubts and concerns among other countries, leaving the structure of Japanese society and even its cultural heritage sometimes being questioned. In this aspect, it is extremely important to make Japan's economic system and practices more in harmony with international standards, and boost "transparency," the report said.

As for much-requested Japanese initiatives in international forums, the report called on the government to establish a new fund to provide capital for international projects beyond the scope of official development assistance which is primarily intended to help developing countries. The new fund scheme should cover projects such as transfer of environmental protection technology overseas and enhancing global scientific research.

Pointing out that emerging "technonationalism" is threatening to hamper the advancement of science, the report advocated a grand new international research project to cap the human frontier science program, a Japanese-initiated international project to promote basic studies on science and technology.

Current brisk growth notwithstanding, the domestic economy is by no means free from clouds on the horizon, the report warned. Swift aging of the populace, a changing sense of values about working, an ever-tightening labor market, concerns about the environment, and a prospective energy crunch are posing a possibly fatal threat to Japan's prosperity.

The two keys to cementing a foothold for long-term stable economic growth under such circumstances are augmenting scientific and technological research, especially in basic sciences which have been given short shrift so far, and building a firm information infrastructure of networks and data bases. The report urged the government to increase its research and development budget sharply, most desirably to 1 percent of gross national product (GNP), and bolster Japan's data bases.

On environmental protection and energy conservation, it said MITI should promote a large-scale, systematic approach to energy saving as well as joining international efforts to preserve and improve the planet's environmental health.

Advisers Call for Continuing Energy Projects

OW0307123090 Tokyo KYODO in English 1146 GMT 3 Jul 90

[Text] Tokyo, July 3 KYODO—The government should continue to work beyond its original target of 2000 on its grand project to develop a wide array of new technology to produce energy without burning fossil fuels, a report by government advisers said Tuesday.

The project, dubbed Sunshine Project, was launched in 1974 at the middle of the first oil crisis with an eye to securing stable supply of energy. It has produced several solid results including partial practical use of photovoltaic power generation system, the report said. The report was compiled by the Industrial Technology Council, which advises the Minister of International Trade and Industry [MITI].

The growing concerns about the earth's environmental health and increasing importance of stable supply of energy, which could be threatened by the prospective oil crunch in the near future, are again heightening the significance of the project.

The report called on the government to formulate another long-term plan to revise the project to encompass further technological developments up to the early 21st century.

Japan spent some 355 billion yen on the project since fiscal 1974 to fiscal 1989, which ended in March 1990, according to MITI officials.

The government has earmarked about 30 billion yen for the scheme in the fiscal 1990 budget.

The report called for a three-tier development plan, setting technological achievement goals for the next decade, as well as for each of the following two decades, with sights trained on the year 2020 or beyond.

The recommended targets for the last 10 years of the 20th century include further improvement in the efficiency of photovoltaic power generation, completion of large-scale wind power electricity generation system, and liquefying of coal.

Among the goals for the following decades are hydrogen gas turbine, magma power generation, and space solar power generation. The most promising of the various technologies enumerated in the report is solar power generation system, which is already in practical use for some specific purposes.

Thanks partly to the sunshine project, solar electric energy has become substantially cheaper. In 1979, a solar kilowatt-hour in Japan cost about 5,000 yen to produce. Today it costs about 140-230 yen compared with 20-30 yen for conventional fuels.

The Agency of Industrial Science and Technology, which supervises the project, should strive to cut the cost to the competitive level by 2000 through boosting the efficiency of solar cells—electric cells that uses the sun's radiation to produce a usable electric current—and lowering the production cost of su cells, the report said.

The report also candidly admitted the Sunshine Project was not free from costly failures. The agency, for instance, built two 1,000 kilowatt-size plants to produce electric power from the heat from the sun, and operated them from 1981 to 1984.

But the plants were closed after it became clear that they are not working well. The report conceded that the experiment proved that solar-heat power generation is not suitable for Japan.

Mongolia

Reportage on Upcoming Elections Continues

Party Threatens To Withdraw

OW0407131990 Ulaanbaatar International Service in English 1200 GMT 4 Jul 90

[Text] The Mongolian Party of National Progress has put forward a number of demands to the Presidium of the Mongolian People's Revolutionary Party Central Committee linking their realization with its further participation in general elections to be held on July the 29th. These demands embrace in particular such matters as the renunciation by the ruling Mongolian People's Revolutionary Party of its primary organizations at enterprises, in the Army and militia and mass media, and in the foreign policy department.

The Party of National Progress also suggests that a special commission be created at the People's Great Hural with a view to elaborate a new election law. If these demands are not accepted, the Party of National Progress is likely to withdraw from the election campaign.

P. Ochirbat Urges Participation

OW0507093090 Ulaanbaatar International Service in English 0910 GMT 5 Jul 90

[Text] Chairman of the Presidium of the Mongolian People's Great Hural, Punsalmaagiyn Ochirbat, has called on the Mongolian Democratic Party, Democratic Association, Party of National Progress, and the New Progressive Union to take part in the forthcoming July 29th elections to people's hurals of all levels at a meeting with the new political forces in Ulaanbaatar. This meeting was held in connection with the Mongolian Democratic Party and the Mongolian Democratic Association's decision not to participate in the elections and the conditions put forward by the Party of National Progress and the National Progressive Union for their participation in the elections.

The new political forces are expected to make their final decision.

Official Interviewed on Elections

OW0307142490 Ulaanbaatar International Service in English 0910 GMT 6 Jun 90

[Station reporter's interview with Loyal Ayurdal, member of the Presidium of the People's Great Hural of Mongolia; date and place not given—italicized portions are Ayurdal's remarks in Monglian fading into English summarization]

[Text] Now we have an interview with a memebr of the Presidium of the Mongolian People's Great Hural Loyal Ayurdal on the forthcoming July the 29th elections to the central and local people's hurals in Mongolia. Here we have the English version of this interview:

[Reporter] Mr. Ayurdal, what are the principal differences between the forthcoming elections and the previous ones?

The previous elections were held in the conditions of one party system and they were directly regualted from the top by executive and administrative bodies. Party and state bodies used to determine the social structure of the People's Great Hural of deputies, and deputies were merely appointed from the staff of party and administrative organizations while the electors used to act as passive supporters of the appointed candidates. This greatly violated the democratic principles of elections and the right of electors to self-governing, says Mr. Ayurdal. The forthcoming July the 29th elections will be held according to the new Law on Elections in the conditions of multiparty system and the increase of poltical-social activity. The most advanced people will be elected deputies to the People's Great Hural on the principle of several candidates' competition for one deputy seat in the People's Great Hural. The self-governing right of electors will be incarnated through different elected election commissions. The political parties will compete for including their crepresentatives into the central and local state governing bodies. It should be a competition, but not a confrontation. The political parties must respect each other and conduct the preelection campaign in the framework of the new Law on Elections. According to preliminary estimations, about 1,040,000 Mongolian citizens, above 18 years of age, will take part in the forthcoming elections, says Mr. Ayurdal.

[Reporter] Mr. Ayurdal, will you comment on the renewed political system of Mongolia, and how its institutions will be elected?

The ninth session of the People's Great Hural of Mongolia has passed a law on amendments into the Mongolian Constitution which envisages the renewal of Mongolian poltical system. Now according to the law, the political system of Mongolia consists of four institutions—the People's Great Hural, the Small Hural, president, and government. The People's Great Hural is the supreme legislative body which will be elected for a five-year term and which will be gathered once a year. The Small Hural is a permanently functioning supreme legislative and augmenting body. The institution of the post of president has been established in Mongolia for the first time in its history. President will be head of the state. Candidates to the post of president will be proposed by the political parties of Mongolia and the president will be elected by the People's Great Hural. The People's Great Hural will also elect the Small Hural, says Mr. Ayurdal.

[Reporter] Mr. Ayurdal, how will be the political parties represented in the Small Hural?

According to the new Law on Elections, the party which gets two percent of votes will have the right to be represented in the Small Hural. The count of votes for either [as heard] the six officialiy registered political parties of Mongolia will take place also on July the 29th together with the elections of deputies to all levels of people's hurals. The six parties will be listed on a ballot paper, and the voters must vote for one party only, says Mr. Ayurdal.

Opposition Leader Interviewed

OW0307154090 Ulaanbaatar International Service in English 0910 GMT 15 Jun 90

[Station correspondent's interview with Dabaadorjiyn Ganbold, chairman of the Council of the Party of National Progress; date and place not given—italicized portions are Ganbold's remarks in Mongolian fading into English summarization]

[Text] Today the nomination of deputies to people's hurals of all levels is in full swing throughout Mongolia. Previously, we used to elect separately deputies to the People's Great Hural, the highest legislative organ of the country, and local people's hurals, municipality. But this year elections to the People's Great Hural and local hurals of peoples's deputies are going to be held simultaneously on July the 29th, and the election process will be regulated by one single Law on Elections. The main distinguishing feature of this year's elections is that they, for the first time in the country's history, are going to be held in conditions of a multiparty system.

By now there are six political parties in this country and they are completing to nominate as many as possible deputies to central and local hurals of people's deputies. I now introduce to you one of the six political parties, the Party of National Progress. The other day this correspondent met with Chairman of the Council of the National Progressive Party Dabaadorjiyn Ganbold. He is 33, a graduate of the Moscow University, and has a degree of candidate of economic sciences.

Asked about how the idea was born to set up a party, Ganbold says the following:

Frankly speaking, I had no idea to set up any political party. I did not imagine that the events that took place in Mongolia early this year would radically change its political life with the appearance of several political parties, and I could be one of the leaders of these political forces. Maybe this was the outcome of the outdated system of bureaucratism and administrative management that stood hindrance to the development of pluralism of views and freedom of thinking. This was the outcome of our incapability to forsee the future, says Ganbold.

About how the idea was born to create the Party of National Progress, Mr. Ganbold says the following:

Last year a group of young economists have decided to set up a club of economists. The main objective of this club was to analyze the present state of the country's economy, reveal the main reasons behind a complicated economic situation, and find out ways out of this critical economic situation. Then the activity of the club was expanded to grow into a new progressive union. It was a public movement, and there arose the need to set up a compact center for working out major political and ideological trends of the movement. This is briefly how the Party of National Progress was founded, says Ganbold.

Then Mr. Ganbold told about the reasons why his party was called the Party of National Progress.

Our party was the third political party officially formed in Mongolia. The ideology we adhered to was not the same with that of the Mongolian Democratic Party and the Social Democratic Party. That is why we, a group of young people, decided to set up a liberal or free democratic-style party. So our party is a party of free democratic ideology. Free democratic ideology means not a blind adherence to only one ideology or theory. The Mongols since ancient times have been respecting and advocating free ideology, and there was nonexistant the tradition of repressing the people of different ideology. From here, it is clear that the Mongols since ancient times have been respecting the pluralism of views. Regretfully, within 70 years since 1921 attempts have been taken to educate the people under one single ideology. So with the purpose to restore this progressive tradition of the nation, we called our party the Party of National Progress. Our party's major goal is to prosper progressive national traditions in close combination with every progressive idea appearing in the world, says Mr. Ganbold."

The National Progressive Party is going to take part in the forthcoming July the 29th elections in coalition with the Democratic Party, the Social Democratic Party, and the Green Party. Mr. Ganbold says in this regard the following:

It is quite understandable that newly set up political parties cannot compete with the Mongolian People's Revolutionary Party that has been ruling the country for 70 years now, in terms of membership, finance, and

reputation. So, the new democratic forces joined in a coalition to compete with the Mongolian People's Revolutionary Party during the elections. This year's elections must become a step forward in the development of democracy in its genuine sense. Herein lies the main significance of the participation of democratic forces in the elections, says Ganbold."

Nomination of Candidates Ends

OW0307160490 Ulaanbaatar International Service in English 0910 GMT 26 Jun 90

[Text] The nomination of candidates for people's deputies has finished in Mongolia after acute competition in conditions of the multiparty system, a set of principles of democracy, openness, and the growing political activity of (?elections). As compared to the previous election campaigns, the share of representatives of intellegentsia has significantly increased among the candidates while the percentage of women has decreased by more than 50 percent. This is the outcome of the refusal from the outdated directive methods of holding elections.

Selection of Candidates Explained

OW0507102890 Ulaanbaatar International Service in English 0910 GMT 5 Jul 90

[Text] The daily UNEN has published an article by a lawyer, Ayurdan, member of the Presidium of the People's Great Hural of Mongolia, which explains the procedure of holding preliminary selection of candidates to deputies to the central and local people's hurals that will take place on Sunday, July the 8. The results of the preliminary selection of candidates will be considered as legal if not less than two-thirds of all electors of each constituency take part in it.

The preliminary selection will be held according to a decree on amendments into the Law on Elections passed on June 16th this year which envisages selection of candidates to deputies not by calls [as heard] of electors, as it had been envisaged in the Law on Elections, but by a direct participation of electors themselves.

UNEN Advocates Abandoning Centralized Planning

OW0407135390 Ulaanbaatar International Service in English 0910 GMT 4 Jul 90

[Text] The leading article of the newspaper UNEN takes up the issue of capital investment (?and) international economy. It says in particular that some 40 percent of them are to be injected into technological updating of the existing enterprises and promotion of highly effective productions in order to improve Mongolia's capacity to maintain, enlarge the reproduction on its own economic basis. Educational, health, and cultural spheres will enjoy greater funds.

The article points to the need of abandoning centralized planning and switching over to regulated market economy.

P. Ochirbat Meets With Buddhist Representatives

OW0107111490 Ulaanbaatar International Service in English 0910 GMT 28 Jun 90

[Text] Head of the Mongolian state Punsalmaagiyn Ochirbat and some executives of the Mongolian People's Revolutionary Party have met with leading figures of the Gandan Tegchinlen Monastery in Ulaanbaatar and a number of leaders of the Asian Buddhists Conference for Peace.

Speaking there, Mr. Ochirbat noted that today, in conditions of renewal, the Mongolian People's Revolutionary Party is resolutely restructuring its approach to religion on the basis of refusal from interfering in its internal affairs and respect of the rights of believers as well as atheists.

Mr. Ochirbat highly spoke of the significance of peace-loving and humane principles of the Buddhist religion in the consolidation of the national unity, peace, and mutual understanding and called upon religious figures to actively contribute to the country's development.

Chinese Delegation Visits Industrial Enterprises

OW0307111790 Ulaanbaatar International Service in English 0910 GMT 3 Jul 90

[Text] A Chinese delegation headed by Deputy Chairman of the Chinese People's Society for Peace and Disarmament Lin Huaxuan has recently been to Mongolia at the invitation of the Mongolian Peace Committee. The delegation has been received by Executive Committee of the Federation of Mongolian Peace and Friendship Organizations and by the Mongolian Committee for Peace.

The Chinese guests also visited a number of industrial enterprises and a new industrial center of Mongolia Erdenet and museums and the Gandan Tegchinlen Monastery, the only acting Buddhist monastery in Ulaanbaatar.

North Korea

Further on Preliminary Round of Talks With ROK

Draft Agreement Presented

SK0307110090 Pyongyang Domestic Service in Korean 0500 GMT 3 Jul 90

[Text] According to a report filed from Panmunjom by reporters Kim Yong-song and Han Kwang-tok, the seventh round of preliminary talks for the North-South high-level political and military talks was held today in the South side's area of Panmunjom.

A large number of domestic and foreign reporters came to Panmunjom to cover the talks.

From our side, five delegates, including Paek Nam-chun, head of the delegation and councilor of the State Administration Council, attended the talks and five delegates from the South side also attended the talks.

Paek Nam-chun, head of our side's delegation, spoke first at the talks.

[Begin Paek Nam-chun recording] Delegates of the South side: Today, when the people's desire for the independent and peaceful reunification of the country is growing more than ever before and the expectations over North-South dialogue are growing with each passing day, we are holding the seventh round of preliminary talks for North-South high-level political and military talks.

I think it fortunate that our preliminary talks have been resumed and that the delegates of the two sides have come here to sit together again face to face.

As everyone knows, one and half years have passed since our preliminary talks began amid the great expectations and interest of the people at home and abroad. During this period, the desire for the reunification of all of our people has grown further and a pan- national reunification movement has been vigorously carried out in the North and South and abroad. As a result, a favorable tenor has been created for reunification in the nineties.

Internationally as well, those countries that were confronting and hostile to one another in the past have settled the question of conflict in a peaceful manner and those countries that were divided like our country is have now already been reunified or are approaching the doorstep to reunification.

Thus, an encouraging situation is developing, which makes all our people's faith in the fatherland's reunification even stronger and which creates a favorable condition for the reunification of the fatherland.

Precisely reflecting such a favorable situation, one which has never been created before in the history of the nearly half-a- century division, the respected and beloved President Kim Il-song in his historic political speech at the first session of the Ninth Supreme People's Assembly of the DPRK, held some time ago, proclaimed the epochal five-point fatherland reunification policy, which would practically remove the stumbling blocks and obstacles laid on the road of reunification and would achieve a breakthrough to reunification.

Our new five-point fatherland reunification policy is the most realistic, fairest, and most just proposal, which gives comprehensive answers to the urgent matters that arise in achieving the independent and peaceful reunification of the fatherland and provides a shortcut for accelerating the reunification in the nineties.

As an embodiment of the new fatherland reunification policy and as a practical measure to eliminate the state of acute confrontation between the North and South and to create a favorable climate for the peaceful reunification, some time ago we put forward the disarmament proposal for peace on the Korean peninsula.

At present, the people at home and abroad are expressing support for and welcoming our new fatherland reunification policy and disarmament proposal and are urgently hoping that tension will be eased on the Korean peninsula and a decisive condition will be created for the reunification by implementing the policy and proposal at an early date.

Today, when all people's desire for reunification is growing and a favorable climate for the independent and peaceful reunification of the country has been created, it has become more important than anything else that the North and South pool strength and achieve a breakthrough toward the reunification of the fatherland.

The masters of the fatherland's reunification are our people. No one will give us reunification as a gift and reunification is not something that can be achieved through someone else's favor.

As reunification is urgent and as an independent effort for reunification is needed, the North and South should pool wisdom and strength and should make a joint effort to pave a wide path to reunification.

Nonetheless, as we have already noted in our telephone message, your side recently took the internal affairs of the nation to the outside, asking for someone else's favor. This runs counter to the people's desire for reunification and to the trend of the era and has aroused deep concern among all our people.

In connection with this matter, we have requested that your side disclose its basic stand toward North-South dialogue and the question of reunification. However, your side has not given any understandable reply yet. We consider this regretful.

Neither the North nor the South should do anything detrimental to the dialogue and reunification; instead, the two sides should make a joint effort and reunify the fatherland in this century without fail.

Dear delegates from the South side: Expanding and developing North-South dialogue is very important in opening an advantageous phase for reunification. To realize the peaceful reunification of the country uniting the will of the entire nation, we have no alternative but to expand and develop dialogue.

If we have dialogue to solve the issue of reunification in a practical manner based on the principle of independence, peaceful reunification, and great national unity, the only fatherland reunification program for the entire nation jointly confirmed by the North and the South, and lead it to success, we will be able to dissolve distrust and confrontation and bring forth a turning point for the independent and peaceful reunification. From this position, we have taken the initiative to hold these talks and have made every sincere effort to give birth to the full-dress talks as soon as possible.

Regrettably, however, our preliminary talks have experienced vicissitudes of suspensions and resumptions right from the outset, giving disappointment to the people following the talks at home and abroad. Our preliminary talks, which could have been consummated by meeting once or twice, have (?dragged on) no less than a year and a half with repeated resumptions and suspensions. This is totally ascribable to the fact that one party to the dialogue has disrupted the atmosphere for dialogue and laid an artificial obstacle to the dialogue. In fact, under the circumstances in which a large-scale military exercise, like the "Team Spirit" joint military exercise, is conducted threatening the other party to the dialogue, it is impossible to carry on a trustworthy dialogue in an amicable atmosphere, and, even if a dialogue were held, it would only be used for confrontation. Your side ought to feel responsible for having suspended our preliminary talks for a long time by conducting the large-scale "Team Spirit-90" joint military exercise together with the United States this year as well despite our side's repeated urging and the consistent protest and denunciation at home and abroad. If your side should conduct the "Team Spirit" joint military exercise with the foreign forces again in the future, we make it clear that our dialogue would suffer an unhappy situation again. If your side truly values dialogue and desires the reunification of the country, you should never again conduct the "Team Spirit" joint military exercise that lays a grave obstacle to North-South dialogue and to reunification.

On this occasion of resuming dialogue, I maintain that we should make a fresh start with a correct attitude not to repeat the unhappy past any more.

Now I would like to put forth our position as to the issue of a working procedure for the full-dress talks.

As your side knows, through the preliminary talks to date, we the two sides managed to agree nearly on all the items, including the name of the talks, except the agenda items. I think that if both sides sincerely participate in the discussion of problems at the talks today, there will be no major difficulty in agreeing on the issue of pending agenda items.

As for the views of the two sides regarding the agenda items, it was fundamentally agreed that the agenda shall be a single comprehensive agenda item and that the issue of dissolving the state of political and military confrontation and realizing a diverse cooperation and exchange shall both be reflected in the agenda of the talks. The unresolved pending issue is whether, in writing out the agenda, the issue of dissolving the state of political and military confrontation should be listed first or the issue of realizing a diverse cooperation and exchange should be listed first. Whereas we maintained that the issue of dissolving the state of political and military confrontation should be listed first, your side maintained that the issues should be listed as each side sees fit [kakki pyollihandaero], thereby failing to narrow the difference between the two sides.

If the agenda items are listed as each side sees fit, we may give a bad impression to the people at home and abroad that the North and the South cannot even agree on the order of listing agenda items. Therefore, we should not list the agenda items as each side sees fit but should present them to the world as one unified agenda.

In unifying the agenda items, we consider it proper to place the issue of removing the state of political and military confrontation before the issue of realizing diversified cooperation and exchanges.

As we have mentioned on many occasions, the issue of removing the state of political and military confrontation is a pressing issue of essential significance in improving North-South relations and in opening the phase of detente and reunification. Without removing the state of acute political and military confrontation it is impossible to dissipate the mutual misunderstanding and mistrust that has accumulated for a long time, or lead dialogue to success, or make any substantial advances on the road toward reunification.

Even the issue of realizing the diversified cooperation and exchanges between the North and South can be successfully realized only when the confrontation is removed, with the hidden swords thrown away. Even in light of the nature and mission of this meeting as well as in light of the background against which this meeting was arranged, placing the issue of removing the state of political and military confrontation ahead of the issue of the diversified cooperation and exchanges is appropriate.

Under the circumstances in which the two sides have already started discussing the fact that the order of listing of agenda items is not an appropriate order of discussion, we believe your side has no reason whatsoever to not agree to our insistence on giving priority to the issue of removing the state of political and military confrontation. So, we once again call on your side to agree to list the agenda items at the talk in the order of: The issue of removing the state of political and military confrontation between the North and South and then the issue of realizing diversified cooperation and exchanges. We hope that the two sides will be able to reach complete agreement at today's talk.

Delegates of the South side: With the preliminary talks nearing the concluding stage, the emergence of full-dress talks is now in sight.

One of the pending issues related to the convening of the full- dress talks that await an urgent settlement between the two sides is the issue of entering the United Nations. Your side, while insisting that the North and South enter the United Nations simultaneously or that your side gain unilateral admission, is now on the move in all directions to realize this.

As is widely mentioned, either the simultaneous admission or the unilateral admission into the United Nations can perpetuate the national division and make it lawful

in the international community, can aggravate the confrontation between the North and South, and can eventually lead North-South relations to grave consequences as a whole.

Regarding our stand on entry into the United Nations, we, proceeding from the desire to oppose national division and to realize reunification, have consistently insisted that the two sides get admitted into the United Nations as a single reunified Korea, and we still insist on this. Now, if determined to gain admission into the United Nations before reunification, we think that the North and South should seek to jointly enter the United Nations under one seat, which is favorable to the cause of reunification, instead of seeking admission under two seats.

Under the condition in which the North and South have taken different stands on the issue of the United Nations, it will be appropriate if the two sides (?discuss) and coordinate the differences between us, within the framework of the nation, before mutually discussing it abroad. The issue of what measure to take regarding the United Nations has now become a matter of great concern to the entire nation and the world hopes that this issue will first be discussed within our nation.

We must prevent the issue of admission into the United Nations from producing unhappy consequences at all costs. Toward this end, we think that the two sides should arrange the full-dress talks at the earliest possible date and discuss and settle this issue at those talks before anything else.

Proceeding from this, I formally propose to your side the discussion of the issue of what measures to take regarding the United Nations ahead of others during the first round of the full- dress North-South high-level talks, within the framework of the agenda items of the full-dress talks.

Having thus far made clear our stand on today's talks, I would like to present the draft of an agreement on the convocation of the North-South high-level talks, based on what has been agreed upon so far between the two sides after supplementing and rewording it.

Draft of agreement on the convocation of North-South high-level talks

After holding (number) rounds of preliminary talks and (number) rounds of contacts between working delegates at Panmunjom during the period between 8 February 1989 and (date, month) 1990, the delegations of the North side and of the South side to the preliminary talks for the North-South high-level political and military talks have agreed on the issue of convening the North-South high-level talks with delegations headed by prime ministers from the two sides as follows:

I. The name of the talks: The name of the talks shall be North- South high-level talks—hereafter referred to as talks.

II. Date of talks: The first round of talks shall be held within one month after the conclusion of the preliminary talks, and the date for the second round of talks shall be decided when the date for the first round of talks is decided, and the date for subsequent talks shall be decided at each round of talks by mutual agreement between the two sides.

III. The site of the talks: The talks shall be held in Pyongyang and Seoul aternately; the first round of the talks shall be held in Seoul, and the second round of the talks shall be held in Pyongyang.

IV. The agenda of the talks: The agenda of the talks shall be: On removing the state of political and military confrontation between the North and the South and realizing multilateral cooperation and exchange.

V. The composition of the delegations to the talks: The delegations to the talks shall be composed of seven persons of ministerial and vice ministerial level, headed by the premier of each side. The military representation of the delegations to the talks shall consist of two persons or less at chief of staff level (chief of general staff level), and the number of the military representatives shall be decided again as each side thinks fit.

VI. The suite members and accompanying reporters: There shall be 33 suite members to the talks and 50 reporters.

VII. The form of talks: The talks shall be held in an open or closed session. The basic form of the talks shall be talks between the delegations. However, tete-a-tete talks between the premiers of the two sides and divisional talks [pumunpyol hoedam] can be held, if necessary, within the framework of the full-dress talks.

VIII. The adoption of written agreement: The written agreement shall be prepared in two copies by each side and one copy shall be exchanged after the heads of the delegations sign them.

IX. The recording of the talks: The recording of the talks shall be made in a manner convenient to each side by stenography, tape recorder, video, etc. The inviting side shall provide two cable lines for tape recording and microwaves for video recording to the other side.

X. The reporting of the talks: The reporting of the talks shall be made in a manner convenient to each side, and the two sides can jointly prepare and announce the contents of agreement after mutual consent.

XI. The marking and facilities at the site of talks:

A. There shall be no markings whatsoever at the site of the talks.

B. The inviting side shall install no other facilities except those facilities necessary for the talks at the site of the talks.

C. The inviting side shall install communications facilities so that the delegation and the reporters of the other side may rapidly contact their side at the site of talks, the site of functions, and their quarters.

XII. The guarantee of personal safety:

A. The inviting side shall hand over to the other side at Panmunjom a memorandum in the name of the premier guaranteeing the personal safety of the persons who come to the area of its side for talks five days prior to the talks.

B. The inviting side shall guarantee the inviolability of the documents, communications, office equipment, photograph films, recording and video tapes, news reporters' memo books, reporting data, and other personal belongings for the talks.

XIII. The mark and identification card of the delegation:

A. The delegations of the two sides shall bring with them identification cards issued by the premier of their side. The two sides shall have marks that can identify the persons of their sides as they think fit.

B. Reporters shall wear reporter's arm bands.

XIV. The procedures for travel in the North and the South:

A. The two sides shall hand over the list of the names of the persons entering the area of the other side five days before the talks.

B. The list shall indicate the name in full, sex, and position in the delegation with the person's photograph attached.

C. Any changes occurring after handing over the name list shall be reported by direct telephone line first and delivered through Panmunjom in the form of a document.

D. The means of travel shall be aircraft, automobile, and train. Each side shall use its own aircraft and direct flights shall be made between Sunan airport in Pyongyang and Kimpo airport in Seoul.

E. When coming to the area of the other side by land for the talks, the point of passage shall be Panmunjom, and automobiles or train provided by the inviting side shall be used.

F. The inviting side shall examine and ascertain the personal identity according to the name list handed over by the other side, receive the persons of the other side, and confirm them in the same manner when they return.

XV. Reporters' activities of collecting news: The two sides shall guarantee the news collecting activities of the reporters of the other side during their sojourn. The two sides shall see to it that the news collecting activities are conducive to reconciliation, unity, and reunification. The two sides should make sure their reporters do not report unfair reports that slander and defame the other side.

XVI. The duration of the visit: The duration of the visit to the area of the other side shall be three nights and four days, and this can be adjusted after mutual agreement between the two sides. The inviting side shall be notified of the schedule of the visiting side five days before the talks and this can be adjusted after agreement between the two sides.

XVII. Provision of services:

A. The inviting side shall provide the persons of the other side during their visit with room and board, transportation, communications, medical care, and all other kinds of services necessary.

B. The two sides shall follow the guidance and order of the inviting side during the visit.

C. The inviting side shall guarantee the transportation of pouches twice a day during the sojourn of the delegation of the visiting side.

XVIII. Direct telephone line: The two sides shall use the existing direct telephone line between Seoul and Pyongyang and additional telephone lines can be installed if necessary and after agreement between the two sides.

XIX. The validity of the written agreement: The written agreement shall be effective from the time of its signing and exchange. The deletion and amendment of agreements can be made after mutual agreement.

[Dated] (month, day) 1990

[Signed] Paek Nam-chun, head of the delegation of the North side to the preliminary meeting for North-South high-level political and military talks

Song Han-ho, senior delegate of the delegation of the South side to the preliminary meeting for North-South high-level political and military talks.

This has been the draft of our side's written agreement. I propose that if your side does not oppose our draft of written agreement in principle, the two sides can conclude the discussion on working procedures in today's preliminary meeting and hand the draft over to the delegates of the working-level contact, which is composed of two delegates and one suite member from each side, for wording. I think that once the wording on the draft is agreed upon at the working-level contact, the two sides can finally sign and exchange it.

I hope that by making our preliminary meeting successful so that the first round of the full-dress talks can be held at the earliest possible date, we can start a new chapter in the history of North- South dialogue and inform the people at home and abroad of the happy news. [end recording]

Removing 'Confrontation' Urged

SK0307114090 Pyongyang KCNA in English 1055 GMT 3 Jul 90

[Text] Panmunjom July 3 (KCNA)—The seventh round of preliminary talks for North-South high-level political and military talks was held today in the South side's portion of Panmunjom.

Five delegates with Paek Nam-chun, councillor of the Administration Council, at the head were present at the talks on the North side and five delegates on the South side.

The head of the North side's delegation spoke first at the talks.

He said that it is very important to develop North-South dialogue in opening a favorable phase for reunification and that this is the only way of reunifying the country by peaceful means, reflecting the will of the nation.

The preliminary talks between the two sides which could have been wound up with one or two rounds have dragged on for one year and a half, off and on, he noted, adding: This is entirely because one party to the dialogue

has spoiled the atmosphere of dialogue and laid artificial hurdles in the way of dialogue.

We make it clear that if the South side stages again "Team Spirit" joint military maneuvers with outside forces, it will have an unfortunate effect on the North-South dialogue, he stressed, and continued:

If the South side truly values dialogue and wants the reunification of the country, it should never hold "Team Spirit" joint military maneuvers again which lay grave obstacles to the North-South dialogue and the reunification.

Paek Nam-chun made clear the North side's stand on the working procedures of the full-dress talks.

Recalling that, through the preliminary talks held so far, the sides had agreed upon nearly all the points including the title of the talks, except the agenda, he said: what is still pending is whether to give priority to the removal of political and military confrontation or to multi-faceted cooperation and exchangeiin formulating the agenda.

Paek Nam-chun noted:

In this regard we insist on giving priority to the removal of political and military confrontation, while the South side insists on letting each side formulate it as it thinks fit. Thus the difference between the sides is not narrowed.

If the sides define the agenda as they think fit, it will give wrong impressions to the people at home and abroad and so we must produce a single agenda and make it public to the world.

Noting that the removal of political and military confrontation is an urgent matter of essential significance in opening a phase of the improvement of North-South relations and detente and reunification, he urged the South side to agree to adopting the agenda "On the removal of North-South political and military confrontation and realisation of mult'-faceted cooperation and exchange".

Paek Nam-chun elaborated on the question of entry into the United Nations, one of the outstanding questions awaiting an urgent solution between the two sides as regards the opening of the full-dress talks.

The South side argues that the North and the South should simultaneously enter the United Nations or the South should get unilateral membership, while the North side insists that a reunified, one Korea should enter it.

Saying that we must never let the question of U.N. membership cause unhappy consequences, the head of our side's delegation formally proposed to the South side to discuss first of all the matter of U.N. measures within the framwork of the agenda of the full-dress talks, when the first North-South high-level talks open.

Then the head of our side's delegation proposed a draft memorandum of agreement on the opening of North-South high-level talks which is based on the points agreed upon hitherto by the two sides and in which they are supplemented and arranged.

The draft memorandum of agreement says:

The title of the talks shall be "North-South high-level talks."

The first talks shall be held within one month after the conclusion of the preliminary talks and the date of the second talks shall be decided together with the date of the first talks and the date of the next talks be designated at each round of the talks through agreement.

The talks shall be held alternately in Pyongyang and Seoul and the first talks shall be held in Seoul and the second talks in Pyongyang.

The agenda of the talks shall be "On the removal of North-South political and military confrontation and realisation of multi-faceted cooperation and exchange".

Each delegation shall be headed by the premier and be composed of seven delegates of minister and vice-minister level.

The delegation shall have two military delegates or less who should include the chief of general staff of the army and their number shall be decided by each side as it thinks fit. The suite members to the talks shall number 33 and reporters 50.

The talks shall be held in public or in camera. The talks shall mainly be held between the delegations and, if necessary, tete-a-tete between the premiers of the two sides and talks of different fields may be held within the framework of full-dress talks.

The delegations shall stay in the opposite side's areas for three nights and four days, which may be readjusted through agreement.

The agreement will take effect from the date when it is exchanged after being signed.

Besides, the draft memorandum of agreement specifies the adoption of an agreement, recording of the talks, report of the talks, guarantee of safety, formalities of visits between the North and the South, news coverage, offer of conveniences, etc.

Speaking next, the South side withdrew its argument on the agenda and agreed to the proposal of the North side and presented its own draft memorandum of agreement.

Accordingly, the sides concluded the debate on the working procedures at the preliminary talks as of today and agreed that a working-level contact between two delegates and a suite member from each side would be held for the drafting of a text of the agreement in the conference room of the Neutral Nations Supervisory Commission at Panmunjom on July 6.

They also decided to hold the eighth round of preliminary talks for North-South high-level political and military talks at the Tongil House in our side on July 26 to finally sign the memorandum of agreement.

Paek Nam-chun gave a news briefing after the talks.

Paek Holds News Conference

SK0307131490 Pyongyang Domestic Service in Korean 0500 GMT 3 Jul 90

[Report on news conference held by Paek Nam-chun, head of the North side's delegation to the preliminary meeting for North-South high-level political and military talks, in Panmunjom on 3 July—recorded]

[Text] Today we held the seventh preliminary talks for North- South high-level political and military talks at the House of Peace in the area of the South side.

As you know, fortunately, today's talks were resumed five months after the previous round of talks.

We came here to the talks, looking forward to winding up the preliminary talks out of a single-hearted desire for expediting reunification in the 1990s in conformity with the expectations of all fellow countrymen. Also, we came here with a flexible draft memorandum of agreement and thus, showed sincerity at the talks.

At the talks, we first of all stressed that the five-point policy of national reunification, which the respected and beloved President Kim Il-song declared in his historic speech at the first session of the Ninth Supreme People's Assembly, is the most timely and just way, which illuminates a short cut for expediting reunification in the 1990s.

At today's talks, we also emphasized that the problem of the country's reunification should be solved thoroughly on the basis of independent national strength, that the problem of reunification, our nation's internal problem, should not be brought to the outside and talked about it in this or that way, and that one side should not seemingly interfere in the domestic affairs of the other side.

In addition, we clarified that the South side is responsible for the inevitable suspension of talks for as long as five months because it pushed ahead with the "Team Spirit-90" joint military exercise with the United States in defiance of our repeated advice [kwongo], and made clear that North-South dialogue will be suspended again if the "Team Spirit" joint military exercise is persistently conducted.

And we demanded that the South side consider not conducting the "Team Spirit" joint military exercise again.

Furthermore, there was a discussion about the matters of working procedure.

As you know, the question concerning a single agenda item has been not been settled in the matters of working procedure. Two issues, the removal of political and military confrontation and the realization of multifaceted cooperation and exchange between the North and the South, are contained in the agenda. Because of the difference of opinion between the two sides on this, there has been no agreement on the question of which issue should precede the other.

Fortunately, today the South side, recognized, though belatedly, the importance of the question of removing political and military confrontation between the North and the South and agreed on the question of giving priority to the removal of political and military confrontation in the agenda. As a result, an agreement on the agenda was reached today.

At today's talks, we stressed that the question concerning Korea's membership in the United Nations is a matter of concern for the entire nation and an important pending issue, which should be settled immediately, and formally proposed that when the full-dress talks are held, the question concerning the steps to be taken with regard to UN membership, including the question of the North-South membership of the United Nations under a single seat, be discussed first at the first round of the full-dress talks within the framework of the agenda of the full-dress talks.

Thus, today the discussion of the matters of working procedure, which should be discussed at the preliminary meeting for full-dress North-South high-level talks, has been concluded. Now, an agreement should be drafted on the matters of working procedure.

The two sides have agreed to hold a working-level contact to draft an agreement at the conference room of the Neutral Nations Supervisory Commission on 6 July with two delegates and one suite member, respectively.

When this agreement is drafted, a memorandum of agreement on working procedures for full-dress talks should be exchanged between the two sides. We have agreed to hold the eighth round of preliminary talks at Tongilgak on our side on 26 July, Thursday, to sign and exchange the memorandum of agreement.

Joint Meeting Covers Relations

SK0407035490 Pyongyang Domestic Service in Korean 2100 GMT 3 Jul 90

[Text] At a time when all the people in the country were filled with revolutionary zeal to fulfill the cause of fatherland reunification in the 1990's, upholding in every way the historic policy speech of the great leader Comrade Kim Il-song at the first session of the Ninth Supreme People's Assembly, a joint meeting of the representatives of the DPRK Government, political parties, and organizations was held in Pyongyang on 3 July. The meeting discussed, on the occasion of the 18th anniversary of the issuance of the 4 July North-South

Joint Statement, the status of the implementation of the three principles of fatherland reunification, developing North-South dialogue in the future, and actively pushing ahead contacts and visits between the North and the South.

The meeting first comprehensively analyzed and summed up the changed situation since the issuance of the historic 4 July Joint Statement and the progress of North-South dialogues to date. The meeting expressed deep concern over the grave situation that none of the ideals and principles proclaimed in the 4 July Joint Statement have been implemented from the issuance of the joint statement 18 years ago until today, because of the anti-reunification position and attitude of the South Korean authorities despite the sincere and serious efforts of the DPRK Government, political parties, and organizations. It is concerned that North-South relations are going back to the time before the joint statement was issued.

The meeting confirmed once again that the three principles of fatherland reunification—independence, peaceful reunification, and great national unity—put forward in the 4 July Joint Statement is a reunification program for the entire nation reflecting the aspirations and desire of all the fellow countrymen and unalterable principles which no one can break or change. The meeting also noted that the three principles of fatherland reunification should be thoroughly implemented to add luster to the 1990's as an era of reunification.

The participants in the meeting stressed that to embody the three principles of fatherland reunification and accelerate the independent and peaceful reunification of the country, the tensions on the Korean peninsula should be alleviated, a peaceful environment for fatherland reunification should be provided, the wall of division should be pulled down, total openness and free visits between the North and the South should be realized, and external relations should be developed on the principle of fostering an international environment favorable to the independent and peaceful reunification of the country.

The meeting seriously discussed the issue of developing North- South dialogue. The participants in the meeting stressed that to develop North-South dialogue, it should be a dialogue to practically solve the issue of reunification and a broad dialogue to reflect the general will of the entire nation in a democratic way.

The meeting also discussed actively pushing ahead with the contacts and visits between the North and the South. The meeting noted that despite the fact that we put forward an epochal proposal early this year to pull down the concrete wall built in the south side of the military demarcation line and to implement free visits and total openness and made every sincere effort for its realization, no broad contacts and visits have been realized because of the South Korean authorities' old closed policy.

The meeting held serious discussions to actively push ahead now [tangmyonhayo] with contacts and visits between the North and the South as a measure to practically accelerate the independent and peaceful reunification of the country even under the present conditions, where no free visits and total openness are realized between the North and the South.

All the participants in the meeting vowed to make the 1990's an era of reunification uniting the strength of the entire nation without fail according to the three principles of fatherland reunification and the new five-point policy of fatherland reunification. The meeting unanimously adopted a joint statement on the occasion of the 18th anniversary of the issuance of the 4 July Joint Statement in the name of the joint meeting of the representatives of the government, political parties, and organizations of the Republic, and decided to issue it dated 4 July.

The meeting also decided that the Committee for the Peaceful Reunification of the Fatherland shall carry out the work of announcing our fundamental position connected with the problems arising in realizing the contacts and visits between the North and the South.

3 Jul Talks Summed Up

SK0407041290 Pyongyang Domestic Service in Korean 2300 GMT 3 Jul 90

[Text] The seventh round of preliminary talks for North-South high-level political and military talks was held on 3 July in the South side's area of Panmunjom.

From our side, five delegates, including Paek Nam-chun, head of our delegation and councilor of the Administration Council, were present at the talks, and five delegates on the South side were also present.

The head of our side's delegation spoke at the talks.

He first referred to the fact that, during his historic political speech at the first session of the Ninth Supreme People's Assembly of the DPRK, held some time ago, the great leader Comrade Kim Il- song proclaimed the epochal five-point fatherland reunification policy, which would practically remove the stumbling blocks and obstacles laid on the road of reunification and would achieve a breakthrough to reunification.

He stressed that, as an embodiment of the new fatherland reunification policy and as a practical measure to eliminate acute confrontation between the North and South and to create a favorable climate for peaceful reunification, some time ago we put forward the arms reduction proposal for peace on the Korean peninsula.

He said that, today, when all the fellow countrymen's desire for reunification has been growing and when a favorable climate for the independent and peaceful reunification of the country has been created, it has become more important than anything else that the

North and South pool strength and achieve a breakthrough in reunifying the fatherland. He made it clear that no one will give us the reunification of the fatherland as a gift and that the reunification of the fatherland is not something that can be achieved thorough someone else's favor.

He said that it was regrettable that the South side recently took the nation's internal affairs abroad, and this runs counter to the nation's desire for reunification and a trend toward reunification, and this has aroused deep concern among all the fellow countrymen.

He also stressed that neither the North nor the South should do anything detrimental to dialogue and reunification.

The head of our side's delegation went on to say that it is very important to expand and develop North-South dialogue in opening a favorable phase for reunification and that this is the only way of reunifying the country by peaceful means, reflecting the will of the entire nation.

He also said that the preliminary talks between the two sides could have been wound up with one or two rounds of talks, but have dragged on for as long as one year and a half, off and on, and added that this is entirely because one party to the dialogue has spoiled the atmosphere of dialogue and laid artificial hurdles in the way of dialogue.

After saying that, he went on to say: The South side ought to feel responsible for having suspended our preliminary talks for a long time by conducting the large-scale "Team Spirit-90" joint military exercise together with the United States this year, despite our side's repeated urging and the consistent protest and denunciation of public opinion at home and abroad. We make it clear that, if the South side conducts the "Team Spirit" joint military exercise together with outside forces again in the future, our dialogue will suffer an unhappy situation again. If it truly values dialogue and desires the reunification of the country, the South side should never again conduct the "Team Spirit" joint military exercise that lays a grave obstacle to North-South dialogue and to reunification.

Then, the head of our side's delegation put forth our position as to the issue of a working procedure for the full-dress talks.

He recalled the fact that, regarding the issue of agenda, the two sides had agreed that the agenda would be a single comprehensive agenda item and that the issue of dissolving political and military confrontation and realizing a diverse cooperation and exchange would both be reflected in the agenda of the talks, and said that the unresolved pending issue is whether, in writing out the agenda, the issue of dissolving political and military confrontation should be listed first or the issue of realizing diverse cooperation and exchange should be listed first.

He said that if, as the South side insists, the two sides define the agenda as they think fit, this will give the wrong impression at home and abroad that the North and South cannot even agree on the order of listing agenda items. Then he said that we maintain that the agenda items must be unified into one, that the issue of removing the state of political and military confrontation must be placed before the issue of realizing diverse cooperation and exchange.

After stressing that the issue of dissolving political and military confrontation is a pressing issue of essential significance in improving North-South relations and in opening the phase of detente and reunification, he said that diverse cooperation and exchange between the North and South can be realized only when hidden swords are thrown away and only when confrontation is dissolved. He also said that placing the issue of dissolving political and military confrontation before the issue of realizing diverse cooperation and exchange is appropriate in view of the nature and mission of the talks and the background against which these talks were arranged, and he called on the South side to agree on the agenda of the talks to be on dissolving political and military confrontation between the North and South and realizing diverse cooperation and exchange.

He said that one of the pending issues related to convening the full-dress talks that await urgent settlement between the two sides is the issue of entering the United Nations; then, the head of our side's delegation said: The South side, while insisting that the North and South enter the United Nations simultaneously or that the South side gain unilateral admission, is now moving around in all directions to realize this. This can perpetuate the division of the country, make it lawful in the international community, aggravate confrontation between the North and South, and eventually lead North-South relations to overall grave consequences.

He also said: Regarding our stand on entry into the United Nations, and proceeding from the desire to oppose the division of the country and to realize reunification, we have consistently insisted that the two sides be admitted to the United Nations as a single reunified Korea, and we still insist on this.

He said: Our stand on admission to the United Nations is that, in opposition to the division of the country and out of an earnest desire to achieve reunification, we have persistently demanded that the North and South enter the United Nations as a single reunified Korea and we are now demanding this as well, and that, if determined to gain admission into the United Nations before reunification, the North and South should jointly enter the United Nations under one seat, which is favorable to the cause of reunification, instead of entering under two seats.

After saying that under the condition in which the North and South have taken different stands on the issue of entering the United Nations, it will be appropriate if the

two sides discuss and coordinate the differences within the nation, instead of separately bringing up this issue abroad, he said: We must prevent the issue of admission into the United Nations from producing unhappy consequences at all costs. Toward this end, we think that the two sides must discuss and settle this issue at the full-dress talks before anything else.

He said that, out of this desire, he formally proposed to the South side the discussion of the issue of what measures to take regarding the United Nations ahead of others during the first round of the North-South high-level talks, within the framework of the agenda items of the full-dress talks, then he presented the draft of an agreement on convening the North-South high-level talks, based on what has been agreed upon so far between the two sides after supplementing and rewording it.

The draft memorandum of agreement elaborates on the title, dates, sites, agenda, composition of delegations, suite members and reporters, the forms, and other procedural matters of the talks.

In particular, the draft memorandum of agreement specifies the travel procedures between the North and South as follows: Means of transportation will be airplanes, cars, and trains. Each side will use its own airplanes, and airplanes will be allowed to directly fly between Sunan Airport in Pyongyang and Kimpo Airport in Seoul. The transit point in land transportation will be Panmunjom. In the host side's area, the visiting side will use cars or trains provided by the host side.

Speaking next, the South side withdrew its demands on the agenda and agreed to the proposal of our side and presented its own draft memorandum of agreement.

Accordingly, the two sides concluded the debate on the working procedures at the preliminary talks as of today [as heard] and agreed that a working-level contact between two delegates and a suite member from each side would be held for the drafting of a text of the agreement in the conference room of the Neutral Nations Supervisory Commission at Panmunjom on 6 July.

They also decided to hold the eighth round of preliminary talks for North-South high-level political and military talks at the Tongilgak in our side on 26 July to finally sign the memorandum of agreement.

When the talks were over, Paek Nam-chun, head of our side's delegation, gave a news briefing.

Joint Statement Issued on 4 July Anniversary

SK0407100090 Pyongyang Domestic Service in Korean 2100 GMT 3 Jul 90

[Joint statement by representatives of DPRK Government, political parties, and public organizations, released on 4 July to mark the 18th anniversary of the publication of the 4 July Joint Statement]

[Text] All Korean people are now meaningfully celebrating the 18th anniversary of the publication of the historic 4 July Joint Statement. On this occasion, while reflecting on the great significance of the 4 July Joint Statement, we are now renewing our determination to hasten the independent and peaceful reunification of the country according to the noble ideals and principles reflected in the joint statement.

The North and South made public the 4 July Joint Statement, the keynote of which are the three principles of independence, peaceful reunification, and great national unity. This is a precious crystallization of patriotism gained by our nation on the arduous road to national reunification, and an epochal event, which opened up a bright prospect of the country's reunification and of the nation.

The 4 July Joint Statement brought the first bright rays of reunification to our people, who had lived in a state of isolation for nearly 30 years, and implanted in them great national pride and joy.

Over the past 18 years since that time, the DPRK Government, political parties, and public organizations have set great store by the idea and principles of the 4 July Joint Statement and have made persistent and sincere efforts to implement them.

Even the South Korean people from all walks of life and patriotic personages thirsting for the reunification of the country have tenaciously continued the struggle for national reunification under the banner of independence, peaceful reunification, and great national unity, shedding a great deal of blood and laying down their lives on this course.

Despite all this patriotic zeal and sacrifice, the North and South have not been able to take even one step toward reunification. Even today, the flunkeyist, treacherous act of begging for the prolonged stationing of the U.S. troops and for their nuclear protection is being committed, going against the principle of independence, on a par with such acts as drawing outside forces into domestic problems.

Running counter to the principle of the peaceful reunification, even today South Korea is bringing in an enormous number of weapons of mass destruction, while conducting a large-scale nuclear war exercise against their fellow countrymen in league with outside forces. Along with this, the anticommunist and anti-North system is still kept in place and is being strengthened, going against the principle of great national unity, and animosity and confrontation are encouraged among the consanguineous people.

The principle spirit of the 4 July Joint Statement is reunification.

The North and South firmly agreed and promised in the statement to make concerted efforts to put an end to the division and achieve reunification. The South Korean

authorities, however, had no sooner turned to go before they betrayed this agreement, declaring two Koreas their policy and are now trying to legalize the permanent division of the country.

According to their splittist policy, a concrete wall of division has been built in areas along the military demarcation line and those involved in the reunification movement and those who have visited the North are being ruthlessly punished.

Dialogue with the fellow countrymen has repeatedly been suspended and only the maneuvers for having the two Koreas recognized in the international arena are being carried out more undisguisedly, in the name of northern policy.

Since the end of World War II, history has advanced farther and the outlook of the world has changed greatly. The ideal of independence, peace, and friendship has triumphed on a global scope and even the cold war structure is now collapsing.

At a time like this, it can never be tolerated that only South Korea has had its sovereignty trampled for as long as 45 years under the colonial subjugation of outside forces and that our nation alone lives divided with mutual hostility, being trifled by outside force.

Today, with still greater practical significance, the three principles of independence, peaceful reunification, and great national unity stated in the 4 July Joint Statement call on the entire fellow countrymen to come to their national senses.

Nobody in the North and South has the right to go against the three principles for national reunification made public to the whole world as the nation's common program for reunification.

To accomplish the historical cause of national reunification in the nineties, it is necessary to firmly defend and implement these principles.

We have already put forward a reasonable and practical proposal for reunification that embodies the three principles for national reunification.

Our proposal for founding the democratic confederal republic of Koryo [DCRK] is the most just proposal for reunification, which makes it possible to solve the country's reunification question independently in a peaceful way, with neither side conquering the other or being conquered, under the condition in which different ideologies and systems exist in the North and the South.

If the South Korean authorities value the three principles for national reunification, they have no reason to reject this fair and aboveboard proposal for reunification, which enjoys unquestioned support at home and abroad. Moreover, since they are babbling that they feel a threat of southward invasion from the North, they have no reason to oppose our proposal for national reunification through confederation, which fully guarantees the existence of the present South Korean system within the framework of the unified state.

The South Korean authorities' negative stand toward the proposal for founding the DCRK only shows that they have no willingness to observe the three principles of national reunification and that their outcry over the threat of southward invasion from the North is nothing but a lie.

Their sinister intention has been exposed for a long time. The South Korean authorities, drifting far off the road of independence, are now trying foolishly to settle the reunification question, a domestic problem, by relying on outside forces, in a manner in which one side conquers the other side or is conquered, a method borrowed by others.

What is more, they, availing themselves of the imperialists' anti-socialist maneuvers, are calling for leading us to open ourselves and are even blatantly advertising the doctrine of unification by prevailing over communism based on the liberal democratic system.

This is, however, a daydream of those seized with vertigo.

The approximately 40 years of history in which the North and the South have traversed different roads fully shows the vulnerability of the corrupt and ailing colonial system of South Korea that has been reduced to a dumping ground of all the excrements of the capitalist world and the incomparable superiority and solidness of the independent, sovereign, and popular socialist system of our own style.

To reunify the country is not an undertaking to determine the superiority and inferiority of the two systems or to match their strength. Therefore, each side must refrain from forcing itself upon the other.

We are convinced that our socialist system is the most superior. But we have no intention to force it on South Korea.

If the South Korean authorities want, though belatedly, to act wisely from the national stand, they must mind their own affairs, instead of peeping into others' places, seized with the never-to-be- realized illusion about unification by prevailing over communism. And they, lost to shame, must not try to extend the U.S. imperialist colonial rule even to the North, but must willingly respond to the fair and aboveboard proposal for national reunification through a confederal system, which guarantees the coexistence of the North and the South within the framework of a unified state.

We consider this the way for the South Korean authorities to avoid their estrangement from the nation and to live with the nation, getting rid of their flunkeyist treacherous policy and divisive acts against the nation, their chronic incurable disease.

For our nation, the nineties is a decade of national reunification. To accomplish the historical cause of national reunification in this hopeful decade, it is imperative to ease the tension on the Korean peninsula, create a favorable environment for national reunification, tear down the wall of division, realize free travel and full-scale opening between the North and the South, and develop external relations on the principle of creating an international environment favorable to the reunification of the country.

Out of the desire to settle these urgent problems for national reunification, we have already put forward to the South Korean side an epoch-making proposal for carrying out a phased arms reduction and adopting a nonaggression declaration.

If the South Korean authorities are interested in peace and the peaceful reunification of the country, they must not insist on a nonaggression treaty that is not at all helpful to detente and peace, but must accede without hesitation to our fair and aboveboard proposal for a nonaggression declaration and disarmament, which can substantially guarantee the relaxation of tension and peace.

It is important to actively develop North-South dialogue to smoothly settle by our nation's own efforts all the problems arising in insuring peace on the Korean peninsula and reunifying the country by peaceful means.

We always keep the door of dialogue open to anyone from South Korea. The North and South should have a dialogue between authorities, a non-governmental dialogue, dialogues in political, military, economic, cultural, sports, humanitarian and other spheres and a dialogue between workers, peasants, youth and students, intellectuals, religious figures, women and other people from all walks of life.

The most authoritative form of dialogue for reunification is a political conference in which the authorities and the representatives of political parties, public organizations, and various strata of the North and the South take part.

The broad participation of the representatives of political parties, public organizations, and various strata of the North and South in the debate on reunification is an inviolable right of all the members of the nation, who are responsible for reunification. Nobody should deny this sacred right and go against the will of the people to take part in the reunification dialogue.

We take this opportunity of strongly insisting again on an early convocation of a consultative meeting for national reunification involving the authorities and the representatives of political parties and public organizations of the North and South to discuss the main problems concerning national reunification including ways to reunify the country.

We attach great importance to the North-South top-level talks in settling the qu[illegible]n of national reunification.

The respected and beloved leader President Kim Il-song has more than once expressed his willingness to meet with the top-level person of South Korea and declared this year that if a North-South top-level conference is convened with the participation of the heads of the authorities and the leaders of political parties, the top-level persons would be able to meet within this framework.

We expect that the North-South high-level political and military talks, which are the order of the day, will be promoted with success and will open the road to the North-South top-level talks.

Under the present situation, whether the North-South top-level talks are held, or not, depends entirely on the attitude of the South Korean authorities.

If they are truly interested in the top-level talks, they should turn to the pro-reunification position and remove without hesitation the obstacles thrown in the way of the talks, ridding themselves of their separatist position.

They must, first of all, show the nation their will for dialogue and national reunification in their practical deeds by confirming again the three principles of national reunification of independence, peaceful reunification, and great national unity, the common reunification program of the nation agreed upon by the North and the South, re[illegible]ncing the two Koreas policy, discontinuing the "Team Spirit" joint military maneuvers at the very least, abolishing the National Security Law, and releasing the arrested and imprisoned patriotic democrats and students, including Rev. Mun Ik-hwan and coed Yim Su-kyong.

If they stick to their old separatist line without at least showing such a fundamental attitude, nothing will be settled at the top-level talks.

Unshakable is the will of the entire fellow countrymen, all of our people in the North and the South and overseas to achieve the independent and peaceful reunification of the country on the three principles of national reunification.

Although the road to reunification is still treacherous and complicated, we will certainly accomplish the historical cause of national reunification in the nineties, smashing the two Koreas plot of the separatist forces within and without with the united efforts of the nation.

[Signed] Joint meeting of representatives of the DPRK Government, political parties, and public organizations

[Dated] 4 July 1990, Pyongyang

Newspaper Assails No Tae-u's Chongwadae Address

SK0507010690 Pyongyang Domestic Service in Korean 0019 GMT 2 Jul 90

[NODONG SINMUN 2 July commentary: "False Promises By the Traitor at Chongwadae and His Daydream-like Nonsense"]

[Text] At Chongwadae on 29 June, marking the third anniversary of his so-called 29 June Declaration, traitor No Tae-u made a speech under the heading "Toward the Nineties of Development and National Unity," and then played a game of answering questions raised by the representatives of people from all walks of life for over two hours.

His speech, which he just read from a prepared text before the ministers of the puppet administration and a few representatives from all walks of life who were in attendance, was an extremely brazen-faced sophism filled with lies and deceptions designed to embellish the reality of South Korea and cover up the fascist military dictatorship, as well as hollow and empty words far from reality.

Though being cursed and denounced only as a liar and political speculator for having devoted himself to fascism, treason, and maneuvers for war and division since the day he usurped power through the use of unprecedented violence, irregularities, and fraudulence, with a deceptive promise for democratization, he loudly boasted that his 29 June Declaration has put in motion political democratization in South Korea, and that a democratic state and a self-controlled society has been built.

While sticking to fascist dictatorial rule characterized by brutal suppression, roundups, and imprisonment of workers and journalists who call for the rights to existence and democracy by mobilizing tens of thousands of policemen, he dared call it democracy. While driving the youths, students, and teachers out of schools on the ground that they called for democratic running of campuses and true education, he dared babble about freedom. Only a ruthless military hooligan who makes it his business to wield bayonets can say such things.

At a time when his promise for democratization three years ago has turned out to be an empty promise—for not a single one item in the democratic package has been realized—traitor No Tae-u once again opened a bag of empty promises summed up in a five-point commitment for development and national unity. The commitments, however, are meaningless, false promises filled with sham and fabrications with no feasibility guaranteed.

While clamoring about a second leap, the puppet clamored that he would build a society of hope, a society of trust, and a society of welfare capable of improving the South Korean people's standard of living by consolidating the foundation for economic development and by regenerating the economy. Such a promise is a silly nonsense that his predecessor dictators used to cite as if they were prayers.

Although the puppet No Tae-u, the remnant of Yusin and one of the core members responsible for the Fifth Republic, has once again opened the bag of deceptive propaganda handed down from his predecessor dictators, the reality in South Korea where political feuds, economic bankruptcy, and social unrest are growing stronger reveals that it, too, is nothing but an empty promise.

As is widely known, the South Korean economy, dependent as it is on foreign countries, ranging from capital to raw materials, equipment, and technology, and even the markets, is a deformed, subordinate colonial economy that is operated on the strength of a low-wage labor force, land, air, and water—a few items that it can claim as its own.

Since it's debts to foreign countries runs in the hundreds of millions of dollars, South Korea ranks first in the world in terms of per capita foreign debts. In no sense can it feed its population without importing millions of tons of grains from foreign countries.

Though being only a slave in debt, he noisily babbled that he will make South Korea an economically advanced country based on the subordinate colonial economy. No one, however, will heed his words. How can such a promise to improve the people's standard of living be realized in South Korea where the production means and power are in the hands of alien forces of aggression, the comprador capitalists who serve the former, and the reactionary bureaucrats, while the working masses, the creator of the material wealth, are regarded only as those who can be oppressed and exploited?

In South Korea where the law of fang and claw prevails, a tiny handful of the privileged enjoy a luxurious lifestyle with a staggering amount of wealth in their hands. However, the absolute majority, the working masses, suffer from severe hardship in livelihood, with even their rights to existence deprived.

According to data published in South Korean publications, in South Korea where the mammonism and power-is-everything has become the dominant trends, already several years ago the privileged, whose number equals to only 0.3 percent of the population, held 45 percent of the total of South Korea's wealth and the gross sales by the 30 conglomerates that are protected by those in power approached 76 percent of the gross national product.

Meanwhile, the number of workers with wages more or less than one fifth of the minimum wage accounted for 60 percent of the total number of workers in South Korea, and every household of the peasants whose number approached 10 million was in enormous debt.

As long as the contradicting social and economic structure remains, the removal of feuds between the social sectors and domains in South Korea, and the building of a society of hope and a society of trust through the national unity is akin to a cake in a picture.

In South Korea only the rich get richer, the poor get poorer, and the polarization of the haves and have-nots are promoted. Unless the reactionary socioeconomic structure is changed in South Korea, which is a heaven for those powerful and wealthy and a hell for those who are poor and have no power, a welfare society in which everyone fares well in South Korea is beyond imagination.

Also, No Tae-u even preached that he would uproot corruption and irregularities. However, such a promise can never serve as a veil to cover the dark side of South Korea, which is filled with people's frustration and where corruption and irregularities are rampant, and social ills are so prevalent.

The problem about No Tae-u's babblings is that they do not stop at being a false, empty promise which cannot be translated into practice. Not only did he clamor on the need to build an economic system to prepare for national unity and reunification under the pretext of peaceful reunification, but he also called for national strength to be nurtured and encouraged a showdown of power, thereby laying bare in full his ambitions to reunify the country by prevailing over communism, an idea of subduing us by use of force, rather than by national harmony and unity.

The puppet, arguing that development and national unity constitute the foundation for realizing peaceful reunification, noisily babbled about the need to be prepared for changes in the North and turning point for reunification, whenever they may come. This is nothing but a preposterously audacious intention to do something about the North after drawing it out into the stream of reform and opening. It cannot but be referred to as megalomania.

The process of realizing the independent and peaceful reunification of the country is for the North and South to ease tensions, dissipate misunderstanding and mistrust, and nationally unite with each other, as well as to promote collaboration and unity. Animosity and showdown of power are fostered without realizing free travel and full-scale opening, and also without collaboration and unity, it is impossible to achieve peace in and reunification of the country. It will only deepen division and increase the danger of war.

No Tae-u's outburst that reunification can be achieved only through economic might is a never-to-be-realized nonsense like a daydream, as it means that he will achieve reunification by prevailing over communism after nurturing strength with the help from outside forces, not achieving reunification by peaceful means.

Even though traitor No Tae-u staged a farce while holding dialogue with representatives from all walks of life as if he were about to put democracy into practice, he avoided answers to such questions raised by the audience as the abolition of evil laws, overcoming of hostile sentiment toward the North, and detente. In the process, he took pains trying to dodge questions hard to address.

Politics based on dialogue with the people can be realized only under such conditions where the people can freely take part in sociopolitical affairs without being socially and legally restricted. In South Korea today, activities of political parties and public organizations calling for democracy are banned from the beginning in South Korea, while patriots and democrats are arrested, imprisoned, and punished after being tried.

How can he say that he would enforce politics based on dialogue and with whom did he mean to have dialogue when the patriotic people who call for democracy and national reunification are randomly arrested and punished by wielding such fascist evil laws as the National Security Law, democratic forces are castigated and obliterated, and off-stage politicians and political opponents are chained? Politics based on dialogue claimed by the puppets is nothing but a smoke screen to cover up the fascist terrorist rule.

Along with Chon Tu-hwan, traitor No Tae-u is a fascist murderer who submerged the streets of Kwangju under a sea of blood by massacring thousands of his fellow countrymen; a bellicose element who aggravates tension by staging war commotions by following the U.S. imperialists' war policy; a splittist who schemes to perpetuate national division opposing peaceful reunification; and a traitor who has deepened the subjugation after selling out the country and nation through currying favor with outside forces.

As he is such a person, he has nothing to produce from his bag of deceptive propaganda except fascism, division, treason, and war, no matter how many times he may open them.

All told, No Tae-u's speech and his game of playing with dialogue with representatives from all walks of life is nothing but a clumsy political machination drama designed to cover up his traitorous nature and to overcome the political and economic crisis facing him by seducing the people with a vision of empty future, and realize his dream of staying in power longer by raising his popularity.

His past deeds replete with crimes and his present acts are too filthy to cover up his filthy true colors as a bellicose element, fascist element, splittist, and traitor with his false promises and deceptive tricks to appease the people.

The South Korean people unanimously call for the overthrow of No Tae-u. Instead of trying to embellish himself and cheat the people with poor excuses and false

promises. No Tae-u had better apologize to the people for his crimes and step down from power as soon as possible.

If he keeps taking the road of fascism, division, treason, and war by relying on outside forces, he will never be able to avoid being brought to the court of history and people.

Daily Urges Withdrawing U.S. Troops From ROK

SK0507103890 Pyongyang KCNA in English 1028 GMT 5 Jul 90

["Establishment of Nuclear-Free, Peace Zone and Reunification of Korea"—KCNA headline]

[Text] Pyongyang July 5 (KCNA)—NODONG SINMUN today says in a signed article that the foremost task for realizing the peaceful reunification of Korea is to remove the danger of war and guarantee peace on the Korean peninsula.

The paper quotes the great leader Comrade Kim Il-song as saying:

"Easing tension and ensuring peace on the Korean peninsula is the foremost task for reunifying our country peacefully."

The situation on the Korean peninsula is now growing acute with each passing day and peace is in a badly unstable state, the paper says, and continues:

The main reason why the Korean question has not yet been settled and the danger of war is growing on the Korean peninsula is that the U.S. Army and its nuclear weapons have been deployed in South Korea and the U.S. imperialists are pursuing the policy of division and war against the Korean people.

For peace and peaceful reunification of Korea, it is imperative to force the U.S. troops and nuclear weapons out of South Korea, put an end to the preliminary nuclear war game of the United States, replace the Korean Armistice Agreement with a peace agreement and adopt a nonaggression declaration between the North and the South.

The Government of our Republic, to this end, has long put forward a number of most reasonable and realistic proposals and initiatives and made earnest efforts for their materialization.

One of them is the proposal to make the Korean peninsula a nuclear-free, peace zone. For Korea's peace and peaceful reunification a guarantee for a durable peace should be secured and, to this end, the U.S. forces and nuclear weapons be withdrawn from South Korea above all.

As the Korean peninsula is turned into a nuclear-free, peace zone, arms confrontation and the danger of a new war caused by the U.S. imperialists will be removed and a broad road to a durable peace will open, which will mean the opening of a very favourable phase for the independent and peaceful reunification of Korea.

Peace and peaceful reunification of Korea are the vital desire of the Korean nation.

An everlasting peace should be ensured on the Korean peninsula and the independent and peaceful reunification of the country, the national desire of the Korean people, be achieved as soon as possible. Our national desire will be realized if the proposal for making the Korean peninsula a nuclear-free, peace zone is put into practice and the U.S. forces and nuclear weapons are pulled out of South Korea.

If the new disarmament proposal for peace on the Korean peninsula is brought into practice, the conversion of the Korean peninsula into a nuclear-free, peace zone will be stepped up, the ceasefire be turned into a durable peace, so that there may be great progress in solving the Korean question.

If "peace" and "detente" on the lips of the United States and the South Korean authorities are not sham, they should respond to our peace overtures including the proposals for arms reduction and the establishment of a nuclear-free, peace zone, the article stresses.

Foreign Groups Demand U.S. Troop Withdrawal

SK0507045490 Pyongyang KCNA in English 0425 GMT 5 Jul 90

[Text] Pyongyang July 5 (KCNA)—Chinese and Indian social organisations extended full support and solidarity to the struggle of the Korean people for the reunification of the country and strongly demanded the withdrawal of the U.S. imperialist aggression forces from South Korea.

The Central Committee of the Communist Youth League of China, the All-China Youth Federation and the All-China Students' Federation in their solidarity message to the Central Committee of the League of Socialist Working Youth of Korea and the Korean Students Committee said that in order to defuse tensions on the Korean peninsula, the United States must not fail to pull all its troops and military hardware out of South Korea and must stop aggravating the tensions on the Korean peninsula.

The message expresses full support to a series of reasonable proposals for national reunification set forth by the Workers' Party and the Government of Korea, particularly the proposal to realise a complete opening between the North and the South advanced by Comrade Kim Il-song.

The All India Indo-Korean Friendship Association and the Indian Committee for Supporting Korea's Reunification in a joint statement stressed that the United States troops must dismantle the military bases in South Korea and immediately quit South Korea, taking along nuclear and all other sophisticated weapons.

The statement expresses full support to all the peace initiatives including the five-point policy for national reunification clarified by President Kim Il-song at the first session of the Ninth Supreme People's Assembly of the DPRK and the disarmament proposal adopted at a joint meeting.

Gorbachev's Remarks to CPSU Congress Cited

SK0507092090 Pyongyang Domestic Service in Korean 0000 GMT 4 Jul 90

[Text] The 28th CPSU Congress opened at the Kremlin, Moscow, on 2 July. Comrade Mikhail Gorbachev, general secretary of the CPSU Central Committee, delivered a CPSU Central Committee political work summation report to the 28th CPSU Congress and reported on the party's tasks. In his report, he pointed out achievements that the party and state brought about in all sectors for the past five years and said that all the fundamental problems raised at the present stage of restructuring must be completely solved at this party congress.

He said that a variety of problems that make the people's daily lives painful have remained unsolved and referred to a need to take practical and efficient comprehensive measures and a need to take urgent measures to stabilize the social and political situation in the country and to strengthen a law-abiding spirit and law and order.

He also pointed out that top priority must be given to solving the grain problem and improving the supply of industrial goods to the people and that all the party organizations must concentrate their efforts on carrying out these urgent tasks.

He said that it is necessary for the Soviet people to reach the highest-level social agreement on the present situation prevailing in the country. He went on to say: Now is not the time, after dividing people, for one to resort to ultimata, conflicts, and reckless acts that will further complicate the situation. A trend favorable to pooling strength is prevailing in society.

Referring to the problem of changing the social direction of the Soviet economy, he pointed out that money began to be appropriated to sectors directly related to people and those sectors that serve people. He stressed that this trend is very important to the vast economy of the Soviet Union and that every effort must be made to consolidate this trend and further develop it.

He said that, as a practical task, a problem facing the party and state of the Soviet Union is successfully concluding the current fiscal year. Then, he urged the workers' groups to make every effort, by mobilizing their creative and progressive spirits, to ensure that this year's economic achievements will exercise a favorable influence upon the social and economic situation in the country.

Referring to agriculture, he said that the problems facing agriculture must be solved by organizing same-price barter between cities and rural areas and by, first of all, promoting economic and social conditions favorable to rural areas, and rejected the overall decollectivization of rural areas. He pointed out that kolkhozes [collective farms] and sovkhozes [state-run farms] that are being operated efficiently will remain an organic part of the rejuvenating Soviet rural areas.

Referring to the ethnic relations in the Soviet Union, he said that the ethnic problem and the ethnic relations are intolerable because they were of an acute nature in some instances and that they arouse great apprehension among all the people across the country, and stressed that the problem of harmonizing ethnic relations in the country must be solved. He also said that it is necessary for the party to correctly analyze its history in order to correctly define prospects for the development of the country. He went on to say: We oppose the notion of blindly rejecting all the achievements that our people have brought about since the October revolution. We duly assess the Soviet people of all the eras who were inspired by socialist ideas. They tried to build a wealthy, cultural, and prosperous country and did not spare their energy and health. They defended the country in the fiercest war. Their conscience is clean.

He pointed out that the 28th CPSU Congress will fulfill its mission when it fulfills its responsibility, goals, and tasks and adopts an action program to unite the party and society.

Referring to the Soviet Union's foreign policies, Comrade Mikhail Gorbachev said that, in carrying out its foreign policies, first of all, the Soviet leadership confirmed how just the notion is that it must not guarantee its security while sacrificing the security of other countries and that it must not seek its own interests while doing harm to other countries. He pointed out that recognizing that each people have a freedom to choose is an important prerequisite for establishing a global order.

He said the relations with China were normalized in the past era and that this is of great significance to the great people of the two countries and the world.

He pointed out that a practical arms reduction process, including a nuclear arms reduction, has started in Europe for the first time. He referred to the CPSU's policies at a time when restructuring is under way. He pointed out that socialism is the masses' practical movement and a vital creative work. Referring to a necessity to return to the Leninist understanding, which considers the party as the vanguard force of society, he pointed out that the party's vanguard role is a struggle and practical action for the interests of the workers and can be achieved only when the party arms itself with all the political and moral characters and said that the CPSU will struggle to maintain its qualifications as a ruling party.

Referring to the social foundation of the party, he stressed that the CPSU, as a party that has chosen

socialism, will also in the future rely on the working class, peasants, and intellectuals.

Referring to the relations between the CPSU and the communist parties of republics, he pointed out that, as shown by events that took place in the Baltic republics, if one builds a fence around oneself and is dragged into the acts of division and separation, this will deal a blow to the communist movement and will provide an opportunity to weaken the communist movement and to strengthen other political forces. He said that, learning a lesson from this situation, the party must make efforts to assume the new attitude of strengthening internationalist monolithism.

He pointed out: Speaking of the mutual relations among the components of the CPSU, I firmly believe that Communist Party members will be able to carry out all their tasks if they keep in mind that, even though Communist Party members have formed a powerful political force—which is important—they will lose their strength if they are separated along ethnic lines.

He pointed out that, historically, the CPSU, while relying on the workers, has carried out its activities and that herein lie the root and beginning of the party and that there is no ground to abandon this tradition.

In concluding his report, he expressed his expectations that the party will resolve the difficult tasks for the country.

Three Million Rubles in Damages Offered Soviets

OW0307142890 Tokyo KYODO in English 1344 GMT 3 Jul 90

[Text] Sapporo, July 3 KYODO—North Korea has proposed to pay 3 million rubles (about 800 million yen) in damages to the Soviet Union for illegal fishing by North Korean-registered Japanese fishing boats in northern waters, fishery industry sources said Tuesday.

North Korean and Soviet officials are expected to conclude talks on the release of the 12 fishing boats and 169 crew members by the end of this week, the sources said.

Li Il-man, president of a North Korean fishing company, has conveyed these messages to Teruo Watanabe, president of Shoho Fisheries Co. of Kushiro in Hokkaido, which sent the fishing vessels to North Korea, the sources said.

Li's message said the Japanese fishermen detained appear to be mentally unstable.

The fishing boats and crew members were taken to the Soviet Far East port of Nakhodka for questioning after being seized in May on suspicion of illegal salmon fishing in the North Pacific.

Preparations Under Way for Second Film Festival

SK2806110290 Pyongyang KCNA in English 1023 GMT 28 Jun 90

[Text] Pyongyang June 28 (KCNA)—Brisk preparations are underway for the second Pyongyang film festival of non- aligned and other developing countries.

Ho Paek-san, vice-minister of culture and art and vice-chairman of the state preparatory committee for the Pyongyang film festival, said that the cinema houses in Pyongyang the venues of the festival, are equipped with facilities for screening different sizes of films, videotaping and music recording.

The festival will be held for ten odd days from September 1 this year and can be attended by non-aligned and other developing countries and individual companies without limit in the number of participants.

The film fair will be run on a large scale during the festival.

It will be participated in by all countries and individual companies irrespective of political view, religious belief, ideology and system, independent of the festival.

More than 30 countries including Cuba, India, Iran, and Egypt have applied for participation in the festival, and France, Japan and many other countries asked for the operation of the film fair.

The first festival held in September 1987 drew 64 delegations from 48 countries and international organizations with 110 dramatic films, documentary films, scientific films, short-length films and animated cartoons.

The show of retrospective films will be of peculiar feature during the forthcoming festival.

The state preparatory committee for the festival specially organizes the show of retrospective films so that the participants in the festival may exchange and encourage the successes achieved in the development of national films.

The show may be organized by any country and company under the name of an individual movieman or a certain title and may involve as many films as possible of any genre.

Regional show of retrospective films may be organized under the agreement of some countries.

The hotels and public service facilities are being refurbished for the guests to the festival.

At the same time, designs of decorations which will adorn the places of the festival including the Pyongyang International Cinema House and the People's Palace of Culture and streets in a festive attire are near completion.

During the festival, the guests will have friendship gatherings and joint meetings with moviemen of different countries at scenic Mt. Myohyang.

Preparations for tourism of the festival guests are also underway.

The guests who desire tourism will be accorded preferentially all the conveniences including means of transport.

The guests will spend a pleasant time enjoying the peculiar scenery at Mt. Kumgang, Mt. Myohyang and famous beaches on the east and west coasts.

South Korea

More on Panmunjom Preliminary Talks With DPRK

North's Delegate Comments

SK0407014490 Seoul THE KOREA HERALD in English 4 Jul 90 p 2

[Text] PANMUNJOM—North Korean chief delegate Paek Nam-chun yesterday insisted that the issue of admission to the United Nations by south and north Korea should be brought forth for serious discussion as soon as the proposed inter-Korea high-level talks convene.

Meeting with reporters in front of the Peace House on the southern side of the truce village shortly after the end of the preliminary talks for an inter-Korea prime ministers meeting, Paek said that the admission to the United Nations of south and north Korea is an issue of prime concern for all Korea.

Blaming the joint Korea and U.S. military exercise of "Team Spirit '90" for suspension of the inter-Korea dialogue for more than five months, Paek made it clear that the south-north Korean dialogue will again be suspended if the south continues to go ahead with the joint military games.

He observed that the working-level contacts scheduled for July 6 would be smoothly progressed to bring about a mutually acceptable agreement on wording of the agenda for the inter-Korea prime ministers meeting, expressing his satisfaction with the successful results of the preliminary contact yesterday.

Following are excerpts of his interview with reporters.

Question: Is the issue of admission to the United Nations a precondition for the inter-Korea high-level officials meeting?
Answer: It is not a precondition, but I proposed the prime ministers of both sides handle the matter when they meet.
Q: Do you think the inter-Korea prime ministers' meeting could be held within one month after the end of the preliminary contacts?
A: Of course. It has already been agreed on by both sides.
Q: What is your comment on the possibility of the arms reduction issue becoming major agendum of the inter-Korea prime ministers' meeting?
A: That must be an issue of prime importance and the issue is a matter that could be discussed by prime ministers of the two sides.
Q: What do you think about results of the preliminary contacts today?
A: I am extremely pleased to see that the successful meeting today could mark another milestone for eventual national unification. The south-north talks have been held over the past two decades but always ended in failure, although there were signs of progress in the initial stages.

Song Optimistic on Future Talks

SK0407013590 Seoul THE KOREA HERALD in English 4 Jul 90 p 2

[By staff reporter Kim Hyu-won]

[Text] PANMUNJOM—Chief southern delegate Song Han-ho yesterday said that major stumbling blocks standing in the way of an inter- Korea high-level officials' meeting have been removed, expressing optimism on the future course of southern contacts for eventual national unification.

Meeting with reporters shortly after the end of the seventh preliminary contact for a south-north prime ministers' meeting, Song attributed the successful results of the meeting to the south's flexibility toward north Korean proposals. The following are excerpts from a question-and-answer session with reporters at the end of the meeting.
Question: What do you think is the major reason behind the successful meeting today?
Answer: The flexible attitude of the south toward the north Korean side as well as concessions made by the south.
Q: How many working-level contacts do you think are necessary before the two sides fix schedules for the inter-Korea prime ministers' meeting?
A: There were few differences on the agenda and no major problems are forecast.
Q: North Korea proposed admission to the United Nations as the top agenda item for the forthcoming prime ministers' meeting. Do you think the issue (admission to the U.N.) is a precondition for the meeting itself?
A: I don't think so. North Korea also said nay when asked if the issue was a precondition.
Q: Does it mean that the south is opposed to discussing U.N. admission at the inter-Korea prime ministers' meeting?
A: As the prime ministers' meeting, if held as scheduled, is supposed to look into various issues concerning military and political confrontation between the south and north, it would be natural for both sides to handle the U.N. issues at the meeting. However, it is not desirable to include the issue on the agenda and, therefore, Seoul's

prime minister is expected to explain the south's position on that particular issue at the meeting. In other words, the south is basically not against keeping the U.N. issue off the agenda of the meeting.
Q: What if north Korea insists on the U.N. issue as a precondition?
A: I can hardly predict such a move by the north.
Q: Do you think there are any obstacles blocking the inter-Korea prime ministers' meeting?
A: There will be no major problems unless north Korea abruptly changes its attitude.
Q: What do you think is the major reason north Korea agreed on key issues of contention to open the way for the prime ministers' meeting?
A: North Korea seems to have been encouraged by concessions made by the south, which has taken major steps to improve inter-Korea relations. North Korea has thus far been subjected to international criticism for its practice of bringing up non-conference issues.

Quick Accord 'Surprise'

SK0407004490 Seoul THE KOREA TIMES in English 4 Jul 90 p 2

[By staff reporter Kim Chang-yong]

[Text] The progress of the working-level meetings devoted to preparations for prime ministers' talks could have been described as tedious at best which is why the unexpected quick agreement comes as a surprise.

Delegates to the preliminary meeting for the high-level South- North talks reached an agreement on all the pending issues barely an hour after they sat down at the table for the seventh round yesterday morning. The questions had been left unanswered for about one and a half years while the delegates wasted time by barking up the wrong tree or waiting for the next round to be scheduled.

It was a new "productive and efficient" model of South and North Korean dialogue which used to be marked with bickering over the Team Spirit exercise, concrete walls and sometimes internal affairs that caused the contacts to be called off time and time again.

Prospects look bright for holding the prime ministers' talks around Aug. 15, the 45th anniversary of Korea's liberation from Japan's 35 years of harsh colonial rule.

The prime ministers' talks, the highest-level ones ever to be held, will be of great significance in themselves. No such regular talks have ever been arranged between the two halves of the peninsula, perhaps the only Cold War legacy left now that the two Germanys are on the threshold of complete unity.

The prime ministers' talks, if and when arranged, will no doubt contribute to the reduction of political and military tension and promotion of economic and human exchanges to a great extent as the agenda suggests.

South and North Korea have remained bitter enemies since they fought a three-year-long war in the early 1950s. The South spends about 6 percent of its GNP on its armed forces while the North expends 20 percent thus heightening tension on this already heavily charged peninsula.

Seoul earlier mapped out comprehensive schemes to support the sagging North Korean economy through joint ventures and financial aid which it will translate into action providing the North is ready to accept it.

There is a high possibility that the prime ministers' talks would lead to a summit between Presidents No Tae-u and Kim Il-song which the South has long sought after.

Yet the talks may encounter rough sailing because of the striking differences in their positions on such delicate issues involving political and military matters.

The first stumbling block will be the North's argument that South Korea's moves to join the United Nations will impede reunification.

Paek Nam-chun, the North Korean chief delegate, said that it is not a precondition on the arrangement of the prime ministers' talks but stressed that the issue relating to Korea's admission to the world body should be first on the agenda.

Seoul is poised to apply for UN membership as early as this fall unilaterally if the North remains reluctant to do so together with the South.

No matter what difficulties they may face, the prime ministers' talks will be held at least twice—first in Seoul and then in Pyongyang, the venues which the delegates selected in the second round of meetings on March 2 last year, observers say.

South and North Korea have good reasons for the convening of the high-level meetings.

Without rapprochement with the North, the South will find it harder to persuade the Soviet Union and China to accept its standing proposals for the establishment of diplomatic ties.

The No administration has banked on making a turning point in inter-Korean relations and boosting its political stature in the domestic and international theaters by holding a No-Kim summit. No had a series of talks with Japanese Prime Minister Toshiki Kaifu, U.S. President George Bush and Soviet President Mikhail Gorbachev late May and early June.

North Korea has to show off its efforts to ease tension in a bid to approach the United States which has tied Pyongyang's dialogue with Seoul as a precondition on improving ties with the communist North.

Reduction in tension is also a prerequisite to the North's improvement of economic performance though Pyongyang does not seem in dire need of it.

By talking about the UN issue at the prime ministers' talks, the North will be able to check the South from tending an application for membership this time, an issue which Paek billed as "most urgent."

But some South Korean government officials worry that the prime ministers' talks would not be arranged following a debate on the wording of the agreement if Pyongyang judges it would be necessary to delay the talks for now.

Pave Way for Premiers' Talks

SK0407005090 Seoul THE KOREA TIMES in English 4 Jul 90 p 1

[By staff reporter Kim chang-yong]

[Text] PANMUNJOM—South and North Korea set the stage for prime ministers' talks on the improvement of bilateral relations in their seventh preliminary meeting that resumed after a five-month break at this border village yesterday.

The envisioned premiers' talks, if arranged as agreed upon yesterday, will take place next month in Seoul first, according to an earlier agreement.

The two sides settled the last pending issue, the order of agenda items, when the South conceded to the long-standing North Korean position that political and military issues should be given priority to other matters.

Two of the five delegates and their staffers from each side will sit down here Friday morning to finalize the wording of their agreement, which was determined to be signed in a full but quite ceremonial session on July 26.

If the North sustains a "positive" stance as it did in yesterday's meeting, South Korean chief delegate Song Han-ho said, there will be no problem in holding the prime ministers' talks, the highest-level contacts between the two halves of the peninsula ever to be held.

"Both parties reached an accord this morning in a matter of course, as we accepted the North Korean position on agenda items. The prime ministers could meet next month if North Korea maintains its positive attitude in the working-level session Friday," he said one-hour debate.

The two sides earlier decided to hold the prime ministers' talks first in Seoul within one month after the solution of the procedural issues and then in Pyongyang. The ensuing talks will be convened in Seoul and Pyongyang alternately.

North Korea had previously insisted that the prime ministers should handle the issue of Korea's admission to the United Nations ahead of other topics, but its chief delegate Paek Nam-chun told reporters that this is not a precondition for the arrangement of bilateral talks.

In his keynote speech, Song said that the South would accept the North's proposal that the prime ministers discuss "matters concerning the easing of political and military confrontation and the implementation of diversified exchanges and cooperation."

He however reminded North Korean delegates of a previous agreement which implies that the prime ministers will not necessarily talk about the political and military issues first and ways to promote economic cooperation and personal exchanges later.

The South had insisted that the talks should be devoted to "diversified exchanges and cooperation, and political and military issues," seemingly a minor difference from the North's assertion but a gap which cost the two sides one year and five months.

The Northern representative Paek proposed in a 20-point draft agreement that both sides could transport their prime ministers, official entourages and newsmen by airplane, autos and or trains for their convenience.

Raise Hopes for Breakthrough

SK0407012890 Seoul THE KOREA HERALD in English 4 Jul 90 p 8

["News Analysis" by staff reporter Kim Hye-won]

[Text] The dramatic agreement reached between working-level officials on the projected south-north Korean prime ministers' talks yesterday is raising hopes that the talks, the first between top officials of the two sides in 42 years, may bring a breakthrough in inter-Korean relations.

The expectation is especially high as the agreement came while another divided nation on the other side of the world, Germany, is successfully carrying out steps for its historical reunification.

It is still to be seen whether the prime ministers of the two Koreas will be able to sit together in Seoul to talk about reunification because working-level officials still need to document their agreement and exchange it before fixing schedules of the meeting.

Both Seoul and Pyongyang officials, fortunately, did not expect any difficulty in completing the remaining procedures and predicted the first session of the prime ministers' talks would occur by the end of next month.

The high-level conference on the two Koreas bears more significance than any other ongoing inter-Korean dialogues like the Red Cross talks as it is also the first to deal with political and military issues.

In fact, the two sides can discuss virtually every issue at the conference as they decided as its agenda issues for easing political and military tensions between south and north Korea and for promoting multipronged cooperation and exchanges.

In that sense, it was a big compromise on the part of Seoul to accept the conference which has favored promotion of exchanges in nonpolitical and nonmilitary fields before tackling military and political issues.

The first issue which is likely to be taken up by the Seoul side during the meeting is summit talks between President No Tae-u and Kim Il-song.

President No has repeatedly called on the north to accept his proposal for a summit with Kim Il-song but failed to get a favorable response.

The possibility of a summit will naturally become higher when the prime ministers' conference between the two Koreas is realized.

Under an agreement between them, the meeting is to alternate between Seoul and Pyongyang, with its first session being held in Seoul. Therefore, when the prime ministers of the two sides visit the other side to attend the meeting, they would naturally have chances to see the heads of state of the other side.

The other major issue to be dealt with at the conference is arms control on the Korean Peninsula and conclusion of non-aggression pact between two Koreas.

Encouraged by recent developments in Europe, scholars and officials in Seoul are now showing increased enthusiasm on the issue, compared with their passive attitudes in the past.

The northern side also recently presented an arms control formula for the peninsula which was accepted by Seoul officials as somewhat reasonable compared with others made in the past.

There are, however, also signs that the prime ministers' talks will not always proceed smoothly, especially over delicate political and military issues.

During yesterday's contact at Panmunjom, north Korean delegates suddenly took up the issue of the U.N. membership of two Koreas and proposed that it be given priority as an agendum for the first session of the conference in Seoul.

They rejected Seoul's idea for obtaining separate U.N. seats temporarily before reunification and called on the south to seek ways to share a single seat.

Seoul delegates refuted their theory as unrealistic but did not rule out the possibility that the issue would be further discussed at the prime ministers' talks.

If north Korea sticks to the issue, however, the historic encounter between top administrators of the two Koreas in August may change into another scene of political propaganda against each other rather than providing a forum for discussion of reunification.

Japan Welcomes Premiers' Talks

SK0407032790 Seoul YONHAP in English 0242 GMT 4 Jul 90

[Text] Tokyo, July 4 (YONHAP)—Japan has welcomed the agreement between South and North Korea to hold a prime ministers' meeting in Seoul in August, saying it would be conducive to peace in Asia. Taizo Watanabe, spokesman of the Foreign Ministry, said Tuesday [3 Jul] that Japan hoped the high-level political meeting would be held at the earliest possible date.

Foreign Minister Taro Nakayama also welcomed the inter-Korean agreement during talks with Belgian Foreign Minister Mark Eyskens in Brussels, another Japanese official said. Nakayama is on a European tour. Tokyo believes the agreement on the high-level talks signals a change of attitude on the part of North Korea and is poised to improve relations with the communist regime, observers said. South and North Korea agreed Tuesday to hold a high-level political and military meeting in Seoul in August. The prime ministers of both Koreas will head the delegations to the first such high-ranking officials meeting in Seoul since national division in 1945.

'Cool-Headed' Attitude Stressed

SK0507055590 Seoul TONG-A ILBO in Korean 4 Jul 90 p 2

[Editorial: "Progress in North-South Talks—One Should Not Flip-Flop Between Joy and Sorrow, But Should Foster Real Power"]

[Text] The progress made in the seventh round of preliminary talks for the North-South high-level talks led to expectations for the feasibility of talks between the prime ministers of North and South.

Viewing the situation on the Korean peninsula from the standpoint of pressure from the outside world, a change in North-South relations in any form is inevitable. However, there are still many difficult problems we should overcome in the interests regarding the situation and system of each side.

It was learned that Yon Hyong-muk, premier of North Korea's Administration Council, has expressed his intention to visit Seoul in August. We think this will serve as a factor in making progress in the seventh round of preliminary talks for the North-South high- level talks. If he comes to Seoul as he hoped, he may be able to meet with President No Tae-u, and if the North-South high-level talks progress toward the second round, Prime Minister Kang Yong- hun's meeting with President Kim Il-song would also be possible.

The two sides still have to undergo the stage of preparing a draft memorandum of agreement between the delegations of both sides on 6 July and the eighth round of preliminary talks slated for 26 July for signing the agreement. Thus, it appears that the atmosphere for talks

between prime ministers of North and South is maturing. However, even if the talks between the prime ministers of the North and South, which are called North-South high-level talks, are held, discussion of practical questions—the essential elements for improving the North-South relations—may be pushed aside because of various contradictory conditions at home and abroad. Thus, it appears that their talks may be first held in the form of a simple dialogue in negotiations.

Regardless of the nature of the talks, we should see it as practical progress. Not only the Soviet Union but also China are pressing North Korea for North-South dialogue while the United States strongly demands the North-South dialogue as a precondition for improving U.S.-North Korean relations. Accordingly, North Korea is faced with a situation in which it can no longer resist such a trend. In addition, the psychological factor of the reunification of Germany also worked as encouragement.

Analysts noted that North Korea's impending task is to formulate measures for the United Nations this fall. This is shown by the fact that the North Korean side proposed to discuss the issue of entry of North and South of Korea into the United Nations under a single seat as the top priority issue in the seventh round of preliminary talks for removing the state of political confrontation. When South Korea was in a difficult position on the issue of dealing with the United Nations in the early seventies, it found a breakthrough in preventing the United Nations from discussing the question of the Korean peninsula on the pretext of ongoing dialogue between the North and the South. Likewise, North Korea appears to be attempting to spoil the atmosphere favorable for the separate entry of South Korea into the United Nations on the pretext of "ongoing North-South dialogue." Taking aim at the Soviet Union and China and at the United States and Japan, North Korea is actively striving to realize the talks between prime ministers of North and the South in an attempt to block South Korean's entry into the United Nations, claiming that this will basically destroy the "one Korea" policy. North Korea's aims are indeed diverse. We should not lose the sense of calm. The situation on the Korean peninsula is different from that of Germany which overcame its division through its own strength. If North Korea's attitude is based on its sincere change for the improvement of North-South relations and for the resolution of the national questions, it should give priority to the work of recovering the consciousness of the national common body, including the exchange of people between the North and the South, which is conducive to the easing of the pain caused from division, as well as economic exchanges for the common prosperity of the North and South.

The complexity of all questions that the North and the South will discuss in full, including the disarmament issue and effects of progress in the North-South relations on domestic politics, should be placed under consideration. Progress in North-South relations will exercise great influence on our domestic political circles in which the issue of revising the Constitution for a cabinet system has emerged. We have experience concerning such a phenomenon in the past. The time when we had joy and sorrow in quick alternation has gone. Therefore, the call for holding the North-South high-level talks on "15 August" for form's sake is insignificant. Only cool-headed vision and substantive real power are needed.

Arms May Be on Next Agenda

SK0507042490 Seoul YONHAP in English 0241 GMT 5 Jul 90

[Text] Seoul, July 5 (OANA-YONHAP)—Defense Minister Yi Sang- hun said Wednesday it would be possible for South and North Korea to realize arms control only when military balance of both sides has been achieved. Yi also said he expected such a stage of arms control to be discussed in inter-Korean high-level talks headed by their prime ministers in August or September, but declined to elaborate.

South Korean Government officials have said they are drafting an arms control proposal that would call for building political and military confidence between Seoul and Pyongyang based on recognition of the reality of inter-Korean relations as the first step toward disarmament. The proposal would also call for operational arms control, followed by structural arms control embracing weapons and troop reductions. The arms control issue is expected to surface as a major topic at the high-level political and military talks, which was virtually agreed Tuesday to be held in Seoul in August and then in Pyongyang in October. Testifying before the National Assembly Defense Committee, the minister also hinted the United States will have prior consultations with the Korean Government in case of using nuclear weapons.

"If nuclear weapons exist (in Korea) and in case they are used (by the United States), it is required to get agreement and approval from the supreme commands of South Korea and the United States. Therefore, it is untrue to say that South Korea has no right in connection with a final decision to use nuclear weapons," Yi said. South Korea and the United States have neither confirmed nor denied the existence of U.S.-made nuclear weapons on the Korean peninsula. He also said he did not see North Korea will be able to produce nuclear devices within six months even though Pyongyang is now constructing nuclear management facilities.

"Our Defense Ministry and the U.S. forces command in Korea analyze that North Korea will be capable of manufacturing nuclear weapons in the mid-1990s," the minister said. Some foreign wire services, quoting Soviet sources, reported recently that North Korea is building nuclear reprocessing facilities in Yongbyon, north of Pyongyang, and may be able to produce nuclear arms

within six months. The North has refused to sign nuclear safeguard accord of the International Atomic Energy Agency.

Parliamentary Contact Proposed

SK0507033390 Seoul Domestic Service in Korean 0300 GMT 5 Jul 90

[Text] Chae Mun-sik, head of our side's delegation to the North-South parliamentary contact, in his telephone message to Chon Kum-chol, head of the North Korean side's delegation, has proposed holding the 11th preliminary contact for the North-South parliamentary talks at 1000 on 19 July at Tongilgak [in Panmunjom].

In his telephone message, Chae Mun-sik, head of our delegation, welcomed the North Korean side's proposal to resume preliminary contact for the North-South parliamentary talks and proposed 19 July for North-South parliamentary contact, when the current session of our National Assembly is over. This contact has not been held for the past five months.

Accepting Aircraft Use 'Likely'

SK0507061290 Seoul YONHAP in English 0533 GMT 5 Jul 90

[Text] Seoul, July 5 (OANA-YONHAP)—South Korea is likely to accept North Korea's proposal that aircraft be used to transport delegates to participate in the inter-Korean high-level talks, a government source said Thursday. The two sides agreed at the truce village of Panmunjom Tuesday to hold the first high-level talks, to be headed by the prime ministers, in Seoul in August.

"Our position is that it is desirable for each delegation's travel to the other side should be made by land via Panmunjom, but if North Korea sticks to aircraft, we would accept," the source said. The matter will be concluded at the working-level contact scheduled for Friday to draw up a written agreement on the inter-Korean meeting, the source said.

The government's plan to accept the North Korean proposal is based on the judgment that use of aircraft could be a precedent for the opening of direct air route between Seoul and Pyongyang. South Korea had refused a similar proposal in 1985 when the two Koreas exchanged visits by dispersed family members and artistic troupes of each other's capital. The source said that North Korea probably proposed the use of aircraft because the highway linking Kaesung, a city near the demilitarized zone, and Pyongyang has not been completed. Seoul's Kimpo International Airport and Sunan Airport near Pyongyang will be used for takeoff and departure ports, if planes are to be used in carrying delegates, the source said.

Seoul Proposes Meeting Date

SK0507103490 Seoul YONHAP in English 1014 GMT 5 Jul 90

[Text] Seoul, July 5 (YONHAP)—The South Korean Government has decided to propose that the first inter-Korean prime ministers meeting be held on Aug. 15, the 45th anniversary of the Korean liberation from the Japanese colonial rule, a responsible government official said Thursday. The proposal will be tabled at the eighth preliminary contact for the prime ministers talks which is slated for July 26, the official said.

The official said, "there will be no serious difficulty in having the first plenary meeting on Aug. 15 in Seoul even though North Korean authorities are planning to hold a pan-national rally in Pyongyang on that day." Regarding the second plenary meeting, the official said, "as far as I know, the North Korean side is wanting to hold it after the Beijing Asian Games. It will probably be around mid-October." Negotiators of the two sides agreed in principle in their seventh preliminary meeting Tuesday that their prime ministers should meet in alternating capitals, starting with Seoul, to discuss measures to ease political and military tension and mutual cooperation and exchanges.

No May Meet North's Premier

SK0407074190 Seoul YONHAP in English 0700 GMT 4 Jul 90

[Text] Seoul, July 4 (OANA-YONHAP)—President No Tae-u may meet with North Korean Prime Minister Yon Hyong-muk when he visits Seoul in August, a government source said Wednesday. Yon will head Pyongyang's delegation to the first round of high-level political and military talks.

In return, the government wants Prime Minister Kang Yong-hun to meet with North Korean President Kim Il-song. Kang is expected to travel to Pyongyang in October as chief of the southern delegation to the second round of high-level talks, the source at the National Unification Board said.

The two Koreas virtually agreed Tuesday that their prime ministers will meet in Seoul in August and then in Pyongyang in October to discuss ways to resolve tension on the divided Korean peninsula. The prime ministers and presidents, if they meet, will discuss pressing inter-Korean issues, including signing a non-aggression pact, commodity and personnel exchanges and military confidence building steps that will lead to disarmament, said the source, who declined to be identified. Seoul hopes the talks will be regarded as semisummit meetings, and thus worthy of responsible discussion on inter-Korean matters, he said. Kang is expected to visit Pyongyang in mid-October, following the Beijing Asian Games, the source said.

"The cross talks may be an intermediate stage to a summit meeting between No and Kim," he said, adding

that he was certain that there would be at least courtesy calls by the visiting prime ministers on the heads of the host states. Seoul, judging that the high-level talks will inevitably tackle inter-Korean disarmament, is drafting an arms control proposal that calls for boosting political and military confidence by recognition of the reality of Seoul-Pyongyang relations, and for operational arms control followed by structural arms control, the source said.

The two Koreas are to sign an agreement on the timing, agenda, place and procedures for the high-level talks in the eighth preliminary contact July 26 at the Panmunjom truce village in the demilitarized zone splitting the peninsula. It will be the first time that such a high-level official from North Korea has visited South Korea to discuss improved relations between the two Koreas since their division in 1945.

'Behind-the-Scenes' Contacts

SK0507114590 Seoul CHUNGANG ILBO in Korean 5 Jul 90 p 2

[Text] It has been learned that to provide a practical turning point in improving relations between the North and South in the North-South full-dress high-level talks, which will be held in late August, the government is carrying out negotiations in advance with the North Korean side by way of unofficial behind-the-scenes contacts prior to the official talks.

On 5 July, a government official said, "It is urgent for negotiations to take place in advance by way of unofficial contacts between North and South Korea so that the North-South high-level talks can become the most authoritative channel in dealing with North-South issues, and so that they can break away from the usual pattern of North-South talks, which is tends to be an arena of propaganda, and achieve practical progress in the North-South talks." He also revealed, "In accordance with this, I know that the government is carrying out a serious behind-the-scenes dialogue with the North Korean side."

In relation to this, another source said that the behind-the- scenes dialogue is not being carried out through the existing Pak Chol-on-Ho Tam channel but through another channel. This source also said that the counterparts in the North are influential figures who rank below number 10 in the hierarchy of power of North Korea's Workers' Party of Korea. These figures can report directly to President Kim Il-song without having to go through other persons.

It has been learned that in the behind-the-scenes dialogue with the North Korean side, the government is laying emphasis on ways to come to an agreement to support the North Korean side economically which the latter is in practical need of, and is carrying out negotiations to give practical help to the North Korean side without making the North lose face.

In relation to this, the government is examining the issue of reopening the North-South economic talks at the same time that it is dealing with political issues such as disarmament in the North-South high-level talks.

Therefore, in relation to the issue of economic cooperation and exchange of goods, the government plans to accept most of the items that were requested by the North Korean side in the 1985 North-South economic talks.

The government plans to revise the original plan of exchanging the North Korean side's raw materials with our side's industrial products and to accept the barter system form of trade as demanded by the North Korean side, in which raw materials are exchanged with raw materials, finished products with finished products, and agricultural products with agricultural products.

Also, regarding the method of payment, the government will not insist on our side's position, which is to use the letter of credit [L/C] through a bank of a third country to carry out deals, but plans to employ the method that the North Korean side is insisting on, which is to carry out deals without a L/C.

It has also been learned that in relation to the issue of economic cooperation, the government is in the process of examining ways to promote a trilateral joint investment in a third country with the communist bloc countries and North and South Korea and also of carrying out the Siberian development project with North Korea through a joint venture.

Along with this, considering that North Korea's foreign debt amounts to $5.2 billion and that North Korea is receiving a lot of economic pressure, such as being requested to pay in cash in trade dealings because it has lost credit in the international circles, it has been learned that ways to pay back the North Korean foreign debts are being examined within the government, as are ways to make our government or our trading companies become the guarantor when North Korea borrows money from foreign countries.

A government source said, "In order to achieve practical progress in North-South relations, it is not important now to make new proposals or overtures to the outside. We must choose the best proposal made by North Korea during the past talks and contacts and carry out a sincere behind-the-scenes dialogue so that North Korea will not lose face. This is the most pending matter." He also said, "From that point of view, we will accept the proposal by the North to transport the delegations of the North and South by air, which we have been refusing, and take the North-South high-level talks as the core among the various talks and carry out other talks, such as the parliamentary talks, economic talks, and the Red Cross talks, in the form of a subpanel."

DPRK Official Denounces No-Gorbachev Summit

SK0407110690 Seoul CHOSON ILBO in Korean 4 Jul 90 p 2

[Correspondent Kang Chon-sok from Tokyo]

[Text] Commenting on the ROK-USSR summit talks, Chong Chun-ki, chairman of the Committee for Cultural Relations with Foreign Countries, which North Korea uses as a window to the West, on 2 July vehemently denounced (President) No Tae-u "for scheming to perpetuate the division of Korea by enlisting assistance from major powers." He then insisted that "the ROK-USSR summit talk is in itself a flunkeyist and treacherous act aimed at legalizing two Koreas."

Although he openly denounced South Korea and the ROK-USSR summit talks, he did not mention at all the attitude of the Soviet Union, North Korea's ally, which had responded to the proposal for such summit talks.

Defense Minister on DPRK Nuclear Capability

SK0507005090 Seoul THE KOREA TIMES in English 5 Jul 90 p 1

[Text] South Korea plans to open a trade office in Vietnam before the end of this year, Yi Son-ki, president of the Korea Trade Promotion Corporation (KOTRA), reported to the National Assembly yesterday.

Yi told the Trade-Industry Committee meeting that the government is also promoting the exchange of trade offices with China and Romania.

"Funds for the opening of a trade office in Vietnam in the second half of this year were included in the supplementary government budget which will be deliberated during the current extra Assembly session," Yi said.

He said that the government will dispatch trade missions to the Soviet Union and China around October.

Defense Minister Yi Sang-hun said, when asked, that North Korea will have the capability to produce nuclear weapons by the mid-1990s.

He denied earlier reports by South China Morning Post that the Communist North will obtain the capability by the end of this year.

"The Defense Ministry and U.S. Forces Korea (USFK) reached a conclusion that North Korea will not be able to obtain the capability to produce nuclear weapons before the mid-1990s," said the minister.

North Korea is reported to have built a nuclear facility in Yongbyon.

As to the envisioned arms control talks with North Korea, Yi made it clear that substantial progress can not be made until the military power between the South and the North reaches and equilibrium.

Minister Yi said, "Mutual arms reduction by South and North Korea will be possible only after both sides take some confidence-building measures and reach a military power balance."

Yi said that the recent North Korean proposal on arms reduction contain some positive elements on mutual confidence-building, but that it is unrealistic to propose that both South and North Korea reduce their troops to 100,000.

The defense chief also said that nuclear weapons will not be used on countries without an agreement between the National Security Councils of Korea and the United States. He was denying the allegation that South Korea may be excluded in the decision concerning the possible use of nuclear weapons.

Measures Against DPRK Nuclear Potential Viewed

SK0407005290 Seoul THE KOREA TIMES in English 4 Jul 90 p 2

[Text] North Korea is likely to develop nuclear weapons in a bid to gain the upper hand over South Korea in possible arms control talks, the National Unification Board said yesterday.

Reporting to the National Assembly on the possibility of North Korea's possession of nuclear arms, the board said that the government "is watching closely moves in the North on nuke development in cooperation with our allies, such as the United States."

The board also said that the government would seek to increase pressure on Pyongyang to sign the safeguards agreement of the International Atomic Energy Agency (IAEA).

The IAEA agreement stipulates that subscriber countries should open their nuclear facilities to outside inspection.

While seeking to prevent North Korea from acquiring a nuclear strike capability, the government will take measures for national survival, in case its efforts fail, according to the board.

The North has refused to sign the agreement, while building what are believed to be nuclear fuel reprocessing facilities in Yongbyon north of Pyongyang.

Wire services reported last month that the North would be able produce nuclear arms within six months.

The board also reported to the Assembly that North Korea spent $4 billion on arms imports between 1986 and 1988, and sold $255 million worth of weapons to third-world nations.

Quoting statistics published by the Stockholm International Peace Research Institute, the board estimated that weapons the North imported from the Soviet Union in the 1980s included 30 MIG-29 fighters and 24 Sam-5 mobile surface to air missile systems.

Japan's Kaifu Reassures No on DPRK Contacts

SK0507032990 Seoul YONHAP in English 0312 GMT 5 Jul 90

[Text] Seoul, July 5 (YONHAP)—Japanese Prime Minister Toshiki Kaifu told South Korean President No Tae-u Thursday that his government would seek dialogue with North Korea only after having full consultations with South Korea, No's spokesman said. Presidential Spokesman Yi Su-chong said Kaifu made the remarks in telephone talks he had with No Thursday morning.

Kaifu expressed respect for the June 4 San Francisco summit between No and Soviet President Mikhail Gorbachev and said he expected the No-Gorbachev meeting would improve relations between Seoul and Moscow and would contribute to easing tension on the Korean peninsula, according to the spokesman.

The Japanese Government, upon the news of the unprecedented South Korea-Soviet summit, said earlier that it would improve relations with North Korea and that it could consider diplomatic ties with Pyongyang if the communist regime so requests. The South Korean Government has been asking for Japan's prudence in dealing with North Korea on the ground that Pyongyang has failed to show signs of reform and opening and is maintaining a policy to unify the divided peninsula by force.

During the telephone talks that lasted for about 15 minutes, No thanked Kaifu for the warm welcome he had received during his state visit to Tokyo in April and asked for his active role in speaking for Korea and other newly industrializing countries in the seven-nation Western summit opening in Houston, Texas, on July 9. Kaifu told No that he would try to help the summit participants understand the situation of the newly industrializing countries and the yearning for reconciliation and cooperation on the Korean peninsula and other parts of Asia. No invited Kaifu to visit Seoul in the near future, the spokesman said.

Lawmakers To Study Reunification in Germany

SK0407032490 Seoul YONHAP in English 0249 GMT 4 Jul 90

[Text] Seoul, July 4 (OANA-YONHAP)—South Korea's National Assembly decided Tuesday [3 Jul] to dispatch a group of lawmakers to East and West Germany on a fact-finding mission to study the process of the German unification.

As soon as the ongoing assembly session ends in late July, the 10-member lawmaker team will tour the two Germanys, it was agreed by ruling and opposition party lawmakers. Korea, which was split into two at the end of World War II, as was Germany, wants to learn from the way West and East Germany developed the rapport with each other that led to reunification.

Signs of Inter-Korean Economic Cooperation Seen

SK0407015090 Seoul THE KOREA HERALD in English 4 Jul 90 p 6

[Text] Inter-Korean economic cooperation is showing signs of recovery, breaking the temporary lull.

Apparently encouraged by recent changes in the international and domestic politicoeconomic climate, south Korea's large business groups are pushing business with the north, business sources said here yesterday.

The business conglomerates are either promoting triangular trade through agents in Hong Kong and Singapore, concreting joint-venture project plans or beefing up in-house task forces responsible for south-north trade, they said.

Rekindling their northern business rush was the recent announcement by President No Tae-u that the south will allow unlimited entry of commercial vehicles and goods from or via north Korea, the sources said.

Samsung Co., the trading arm of Samsung Business Group, plans to import and sell $780,000 worth of frozen pollack from north Korea this month, while promoting export of a sock-manufacturing plant to the north through an intermediary in the United States in return.

It also is considering barter trade, under which Samsung exports polypropylene bags and imports north Korean mineral resources through its Hong Kong branch. Lucky-Goldstar International Co. has recently signed a contract to import 2,500 tons of lead worth $1,836,000, 1,200 tons of zinc ($1 million) and 15,000 tons of hot-rolled sheets ($5.17 million).

The company has sent a task force to a border town between China and north Korea to promote trilateral trade among the three countries.

Lucky-Goldstar also set up an independent trade team responsible for north Korean trade, now undertaken by its China trade unit.

Ssangyong Corp., which purchased 5,700 tons of north Korean cement June 5 under a contract to import 120,000 tons this year, plans to import $1 million worth of nonferrous metals such as nickel and aluminium in the latter half of this year.

Ssangyong will also establish an independent north Korean trade team.

Hyosung Corp. is moving to construct a textile plant in north Korea through a Hong Kong agent and to swap its textile products for pig iron, cement, and copper produced in the northern half of the peninsula.

Hyundai Corp. plans to import a large quantity of fisheries products in the latter half of the year. It also will push ahead with projects agreed on during the visit by honorary group chairman Chong Chu-yong to north

Korea, including construction of a rolling stock plant in Wonsan and development of Mt. Kumgang as an international tourist attraction, as soon as the political climate between the two Koreas improves.

Sunkyong Ltd. has exported $83,000 worth of cigarette filters to north Korea and plans to increase its shipments in the latter half of the year in exchange for nonferrous metal imports.

Meanwhile, south Korea has imported $29,687,000 worth of north Korean goods on 87 occasions and imported $152,000 in two cases since the July 7, 1988 declaration aimed at facilitating inter-Korean cooperation in various areas.

According to a report submitted by the National Unification Board to the ongoing National Assembly extraordinary session, the total imports break down into steel products ($8,415,000), zinc ingots ($7,755,000), anthracite coal ($2,940,000), refined copper ($2,550,000), medicinal herbs [$1,739,000) and raw silk ($1,479,000)

Restoration of Transportation Links With DPRK

SK0407010390 Seoul THE KOREA TIMES in English 4 Jul 90 p 2

[Text] The government said yesterday that works are under way to restore railroads and other transportation facilities in the South to link up with North Korea in preparation for the increase of trade and other exchanges between the two halves of the peninsula.

Transportation Minister Kim Chang-sik testified before the National Assembly that the envisioned link of railroad and land routes will be made between Seoul and the northern border city of Sinuiju and the eastern port city of Wonsan.

He also said that the government is ready to open ports and airports to the North. "The opening of transportation routes and facilities between the two Koreas would help pave the way for the South's advance into Siberia," said Minister Kim.

The trade between South Korea and the Soviet Union is expected to increase to some $1 billion within this year, although they have no diplomatic relations, he said.

Recalling that the two countries had agreed on the opening of a direct sea route, Minister Kim said that the government will discuss the details in the third working-level round of maritime talks with the Soviets.

Communications Minister Yi U-chae reported that the telephones between South Koreans and the Soviet Union have been made connected through a third country. As a result, only 8 percent of telephone callers in Korea are successful in contacting with the Soviets at present, said Minister Yi.

However, the minister said that the government will complete the opening of direct telephone lines between Seoul and Moscow by the end of this year.

Minister Yi also revealed that the government is carefully considering allowing local businesses to take part in the 8-country consortium for the construction of optical cables in the Siberian area.

Agriculture-Forestry-Fisheries Minister Kang Po-song said that the government has sufficient cereals and foodstuffs in stock to supply the people for three months in the event of natural calamities or other emergencies.

Reps. Kim Chong-wan and Pak Sok-mu of the opposition Party for Peace and Democracy alleged that the President No Tae-u's regime is trying to control the press as part of its efforts to prolong its grip on power.

Diplomats Stationed 'Permanently' in Beijing

SK0407134590 Seoul Television Service in Korean 1200 GMT 4 Jul 90

[Text] It has been disclosed that a diplomat of our side has been stationed in Beijing since last month in order to make preparations for the Asian Games.

Speaking before the National Assembly's Committee on Foreign and Reunification Affairs today, Foreign Minister Choe Ho-chung revealed that our diplomat is permanently stationed in Beijing as the Korean Olympic Committee [KOC] adviser.

Reporter Chin Hong-sun has the story.

[Begin Chin recording] Speaking before the Committee for Foreign and Reunification Affairs in the National Assembly, Foreign Minister Choe Ho-chung reported that despite the recently strengthened socialist solidarity between China and North Korea, the cooperative relations between Korea and China have been expanding in various areas, including the volume of humanitarian exchanges, which doubled by last March. [end recording]

[Begin Choe Ho-chung recording] After our government agreed to appoint our diplomat as attache to the Beijing Asian Games in the capacity of KOC adviser, our diplomat was sent to be permanently stationed in Beijing in the middle of June. Also, several more assistant attaches are expected to be permanently stationed in Beijing by early July.

We have agreed in principle to operate direct flights of chartered passenger planes between Seoul and Beijing during the games. [end recording]

[Begin Chin recording] Minister Choe Ho-chung also said that the government plans to earnestly negotiate the opening of official contacts between the governments of Korea and the Soviet Union at the earliest possible date in order to maximize the results of a series of talks President No Tae-u has had with the leaders of three countries. [end recording]

Prime Minister To Resign Over Budget Dispute

Explains Reasons for Decision

SK0507023390 Seoul Domestic Service in Korean 0200 GMT 5 Jul 90

[Text] In today's regular cabinet meeting, Prime Minister Kang Yong-hun expressed his intention to resign from office in connection with his apology for the alleged transfer of Seoul city's budget to the 3 July main session of the National Assembly. Presiding over today's cabinet meeting, Prime Minister Kang said: I apologized to the National Assembly as agreed by the ruling and opposition parties, in an effort to normalize the operation of the National Assembly at the earliest possible date. However, I feel that he committed a crime against other cabinet members because I admitted that the administration had done wrong, even though it had done nothing wrong. He also said that he had so far stressed a need to strictly adhere to law and principles and that he had decided to resign because he had failed to do so. He expressed his displeasure over the agreement by the ruling and opposition on his apology, saying that the office of the prime minister learned that Seoul city's budget for 1987 was legally drawn up and that Seoul city spent this budget without funneling any money into other purposes.

It was learned that during tomorrow's weekly report to President No Tae-u at Chongwadae, Prime Minister Kang will express his intention to resign from office.

In today's cabinet meeting, Hong Song-chol, minister of the National Unification Board, and all the other cabinet members said that they could fully understand Prime Minister's Kang's intention to resign from office, but urged Prime Minister Kang to withdraw his plan to resign from office considering the situation at home and abroad.

Kang's Background Detailed

SK0507063890 Seoul YONHAP in English 0624 GMT 5 Jul 90

[Text] Seoul, July 5 (OANA-YONHAP)—Prime Minister Kang Yong-hun offered to resign Wednesday to President No Tae-u, in an apparent displeasure over pressure from the ruling party that forced him to have made an apology for a previous government's diversion of tens of billions of won for No's election campaign in 1987.

Kang expressed his intent of resignation verbally to President No, and was likely to formally submit a letter of resignation Thursday, his spokesman Yi Hyon-ku said. The prime minister, a retired generai who served as dean of the graduate school of a Seoul University and ambassador to Britain and Holy See, had reportedly resisted but reluctantly yielded to pressure from the ruling Democratic Liberal Party (DLP) in connection with the misuse of the government budget by the government of then-president Chon Tu-hwan for No's election campaign.

It was almost unprecedented that a South Korean prime minister has offered to step down over the government's disputes with the ruling party. The ruling party, in a bid to seek a compromise with the opposition, which launched a strong political offensive regarding the diversion, had asked Kang to make a government-level apology. Kang made the apology in the plenary session of the National Assembly Tuesday, saying that it was true that 55.2 billion won (77.2 million U.S. dollars) from the government budget had been misappropriated to generate support for No, then the presidential candidate of the ruling Democratic Justice Party (DJP).

"I am sorry to say that, as Rep. Hong Ki-hun (of the opposition Party for Peace and Democracy) pointed out the other day, 55.2 billion won earmarked for provincial development projects was used as a pork barrel timed with the elections," Kang told the National Assembly. "However, that happened during the Fifth Republic (under former president Chon). No such a thing has happened in the Sixth Republic nor will it recur in the future," Kang said.

On Hong's other allegation that 16 million won from the Seoul city budget was also used for No's campaign, Kang said the government would "thoroughly investigate the case and would report to the National Assembly within seven days."

The issue of the misappropriation and the diversion of the state budget have been hot political potatoes for the ruling party that crippled the special National Assembly session for four days as the PPD called for Kang's apology and a thorough probe of the cases. But Kang said during a cabinet meeting Thursday morning that he was very sorry for having done wrong by admitting that the money was misappropriated. Kang said he should not have admitted the money was misused but that he can not but admit because of the strong request by the ruling party, according to the spokesman.

"Ready to resign from the premiership, I made the wrong reply during the National Assembly session, as was requested by the ruling party," he was quoted as saying during the cabinet session. "I have tried to abide by the law and principles...I offered to resign to take the responsibility for failing to do so," Kang was also quoted as saying. "How could I lead the cabinet and assist the president now that I made an untrue reply for political reasons?" He said.

His offer of resignation apparently shocked the ruling party, raising the possibility of a row between the government and the DLP. Kim Yong-sam, an opposition-turned DLP leader, said he is not in a position to say anything about Kang's action. The opposition party, headed by Kim Tae-chung, also expressed shocks over

Kang's abrupt offer of resignation, but made it clear that Kang's apology made during the assembly session should not be reversed.

Cabinet ministers persuaded him to retract his move of quitting, but the prime minister refused to, the spokesman said.

It is unclear President No would accept Kang's resignation, a presidential aide said. Kang was appointed prime minister succeeding Yi Hyon-chae on Dec. 5, 1988, and retained the post in the large-scale cabinet reshuffle on March 17, this year.

President Rejects Resignation

SK0507094890 Seoul YONHAP in English 0925 GMT 5 Jul 90

[Text] Seoul, July 5 (YONHAP)—President No Tae-u has turned down Prime Minister Kang Yong-hun's resignation on Thursday afternoon, Presidential Spokesman Yi Su-chong said. President No refused to accept Kang's resignation in consideration of current domestic and external situations, Yi said.

Kang, apparently displeased with his reluctant apology before the National Assembly on Tuesday in connection with previous government's misuse of tens of billions of won for No's election campaign in 1987, visited [President No] earlier Thursday and submitted his resignation.

Burma

Saw Maung Addresses SLORC Meeting 3 Jul

BK0407101590 Rangoon Domestic Service in Burmese 1330 GMT 3 Jul 90

[Opening address by Senior General Saw Maung, chairman of the State Law and Order Restoration Council, SLORC, at 0900 on 3 July at coordination meeting of the SLORC and law and order restoration councils of states and divisions in Rangoon—recorded]

[Excerpts] This meeting with regional commanders and divisional commanders—chairmen of law and order restoration councils from the states and divisions—has been called today to find out about their respective local situation and to find out what kind of difficulties they are facing in carrying out their work. The meeting has been called because I would like to address the situation after the elections we held, as we pledged, and I would like to talk about what we should continue to do in the future in order to clear up any confusion.

What the commission has done with regard to supervising the elections is known to all. The commission has also made the necessary announcements of statistics on the success of parties in the election. [passage omitted]

What I would like to know about is security during the elections. Such security matters should be presented here. Why? Because we received a letter from a defeated candidate from Kyaikmaraw Constituency-two complaining that Mon insurgents made threats and obstructed voting. It was stated in the letter that an official complaint would be filed. Why this incident took place should be discussed. I would like you to report as to whether there have been any complaints about insurgents in other military regions.

As for our Defense Services, we did our duty so that we would not be accused of bias and intimidation. It is a fact known to the world through our deed that we have vindicated ourselves from preelection predictions that the elections would be neither fair nor free. With this deed the Defense Services were able to place an illustration of their spotless performance in the annals of history. [passage omitted]

Before I speak on what is happening today, I would like to talk about what we should continue to do in the future in order to clear up any confusion. Actually, I do not have to go on at length on this matter. However, I will say what must be said. We must also bear in mind that we are all public servants. We are to continue to attend to our three tasks which concern the entire nation—the preservation of the Union, the preservation of national unity, and the preservation of lasting sovereignty.

I have repeatedly stated that until responsibility is transferred to a government that emerges according to the Constitution, we are to continue to attend to our tasks—which will also contribute to carrying out our three tasks. I have also repeatedly stressed that, other than carrying out the task of holding the free and fair multiparty elections, as stated in Subsections A, B, and C of Section One of SLORC [State Law and Order Restoration Council] Announcement No. 1/88 [restoration of law and order; provision of secure and safe transportation and communications; easing people's needs for food, clothes, and shelter, and other than providing assistance to cooperatives and private sectors] which we issued since assuming responsibility, the most important thing is to carry out these duties in accordance with existing law. [passage omitted]

The SLORC assumed state responsibility because the situation demanded it. It will be necessary to take action freely according to law without consideration for anyone's influence. The most important thing is that we should not underestimate a matter that could cause chaos in our country. By this I mean, we should not come under foreign influence, we must not lose our independence, and we must not allow disintegration of national unity. We must work within the framework of law according to the conditions of our country. It will be necessary to speak with concrete evidence and to work with courage

We were able to do what we had to do even during the chaos of 1988. We must think according to the Myanmar [Burmese] way of thinking. We should not think with thoughts taken from other countries. I have said this repeatedly. Yet, today we find that statements are being issued without securing permission. [passage omitted] Statements should be released according to law, and the party concerned should take responsibility for legally carrying out the procedure. [passage omitted]

Now that the elections have been held, there have been demands for the release of such and such a person. That is what is known as personality cult [two preceding words in English]. There are also demands that political prisoners be released; that the National Assembly, which has the judicial, legislative, and administrative powers, be convened; and that power be transferred as soon as the assembly is convened. Others are calling for the release of such and such persons to participate in the drafting of the constitution and that a national conference should be called. According to the documents at hand, the so-called Party of National Ethnic People called for the transfer of power and stipulated what should be included in the constitution. There is also a document on the Defense Services. [passage omitted] There are also comments these days alleging that the Defense Services stage coups frequently and that its history should be viewed in three periods. [passage omitted] They are saying that the Defense Services' loyalty to the Constitution should be made legally binding. [passage omitted]

What happened before 18 September 1988? We should not forget. The government responsible at that time promised to hold multiparty general elections, but an interim government was demanded and there were

beheadings and the situation became uncontrollable. We intervened to take control of the situation and held the multiparty elections and enforced discipline. [passage omitted]

I would like to state a view of mine here. Had we accepted and consulted when the Lanzin Party [Burma Socialist Program Party, BSPP] offered to hold multiparty general elections, then the National Assembly would not have been dissolved and there would have been no reason to have a situation such as the one we have today. I believe that the matter would have ended then after the assembly representatives amended the constitution.

Another thing is what the people in the Western countries do not know. What the Westerners do not know is that changes in our country are unlike those in East Europe; in our country we have all kinds of insurgents. They completely ignored the role of the BCP [Burma Communist Party] UG's [underground elements] during the 1988 events. The changes in East Europe did not bring about the dissolution of Parliament; the dissolution took place according to law. We know what is taking place in these countries. We could recall that in 1988 members of the central executive committee [of the BSPP pledged not to participate in the general elections. These facts will remain in the annals of history.

I would like to disclose one thing that I did not make public before the elections so as to avoid accusations of partisanship. I do not care about doubts of my own abilities, but I cannot bear any doubt about the Defense Services. That is, the party congress [of the BSPP] would have been held in 1989, and the general elections would have been that same year. There were discussions at the central executive committee for the congress to amend the constitution, to make changes about the socialist economy, and to hold elections according to the amended constitution. Then, the events of 1988 took place, and what should not have happened did happen. We could perhaps say it was the country's fate. There are likely to be documents on these matters; they should be kept for later historical reference. Do not think I am saying all this because I am pining for the Lanzin Party. The elections have proven that I have no such attachment.

I have stated repeatedly that we are public servants; we serve the country. I am merely recounting the events truthfully with a historical view. I have also repeatedly stated that we do not have to be attached to any party or organization. We currently feel so restricted that we do not even dare to meet with those who were once our superiors and who are like our parents and teachers. We continue to behave in such a manner because we want to remain above suspicion. Even then there are untrue accusations from abroad. As for some party personnel, they are meeting with those who are violating diplomatic norms, as General Khin Nyunt has pointed out. We know about it.

What should be done after the holding of the multiparty general elections? After holding the elections, a constitution is to be drafted. I dealt with this matter in my speech of 5 July 1989, in which I had said the SLORC would not write one. I do not want to be culprit. On 18 June 1990 I said the Constitution is a matter that concerns all. The implication is that we will have to decide on what should be included and on what suits the country. We will give the necessary assistance. We will have to make our contribution not for our interests, but for the interests of all the nation's people which include the interests of the entire country, the interests of the Defense Services, and the interests of the public service personnel. By this I do not mean we will dictate how it should be written. There should be coordination so that there is agreement by all.

In speaking on the 1947 Constitution during my previous speech, I was referring to the process [preceding word given in English]. But, we heard that we had been criticizing the 1947 Constitution, that we do not like it. I did not say that I did not like it. I was just stating the historical and legal points. [passage omitted]

The 1974 Constitution was written after independence was obtained. It was written, presented repeatedly to the people, and submitted to the referendum. I am not saying this because I like the 1974 Constitution. [passage omitted] I believe that a speech by General Aung San delivered at the Constituent Assembly on 16 June 1947 should be studied. It spelled out the powers of the Constituent Assembly and the attitude it should have on the matter of how power should be transferred. The speech was made during the British rule. Conditions today are not the same. I have stated this repeatedly. Burma today is an independent nation. I have also stated repeatedly that the present SLORC government is a government recognized internationally by the United Nations and other countries. What would happen to the country if power is taken forcibly by convening the National Assembly? Think how dangerous it would be.

The situation in Myanmar today is that, although there is not yet political stability, there is law and order and the SLORC is in effective control of economic, social, and management affairs. I would also like to say we cannot dismiss the fact that constructive efforts are being carried out in the interests of the country's future, especially to create favorable economic conditions. Any knowledgeable person can see that all forms of restructuring [preceding word in English] are being carried out during this interim period. It can also be seen that the implementation of a market economy, which is handled carefully even by major countries, is in full swing.

Another thing to point out is that, once the constitution is completed, we will not leave the country like the British Government did. While I have the opportunity, I would like to say the following to regional commanders, divisional commanders, and chairmen of the law and order restoration councils from states and divisions: It concerns Article 233 of the 1947 Constitution which

states that the first general elections under this Constitution shall be held within 18 months from the date the Constitution takes effect. [passage omitted] This Article 233 was not amended, but the first general elections were held only in 1951—48 months after the Constitution came into effect. Only then did the Parliament emerge with two chambers—the Chamber of Deputies and the Chamber of Nationalities.

What I am implying is that they acted according to their own wishes without giving due respect to the Constitution. There was an interim president and an interim prime minister before the emergence of the Parliament. Today's situation is different. We are no longer under British rule as in 1947. The situations in the country of 1948, 1949, and 1951 do not apply. The situation is also different from that of 1962—the period of the Revolutionary Council. I also mentioned that we do not have any party behind us. In 1990 we were unable to hold the elections in only seven constituencies. We hope elections will be held in these constituencies the next time.

Next, I would like to ask: How is the constitution to be written today? What is to be done about national unity? What would be the nature of the state? How should the state administer the nation's reconstruction? These are very important questions. I believe that all the nation's people should coordinate to have the same mind and spirit to perpetuate our country. [passage omitted] If there are to be eight states, as is now being advocated, then how are we to take into consideration the ethnic distribution of our country's people? [passage omitted]

How are the states to be formed according to ethnic distribution? Is it possible? The matter must be given serious thought. It is not done by just dreaming. That is my view. We will not write the constitution. Let those who write do the writing. Necessary assistance and advice will be given. I have said it.

I would like to ask how much power would be granted to the states? Would they be given separate armed forces, as demanded by the so-called DAB [Democratic Alliance of Burma]? What would be the role of the Defense Services which are defending the country today? For instance, would our forces be withdrawn from the Kachin State and the KIA [Kachin Independence Army] put in charge? Would our forces in Karen State be withdrawn and the KNU [Karen National Union] put in charge? Then what are we to do with the Shan State where there are assorted insurgent organizations? [passage omitted] This should be considered.

Next, what form of state should the country have? What form of state was expected when the country achieved independence? Would it be a federal state or a unitary state? [passage omitted]

We have to consider these issues. There are many things to be done. What kind of dangers would be encountered if a constitution is drafted for the purpose of obtaining power without thoroughly consulting the nation's people? These are just some of the issues I have thought about. If there is unrest because it has not been done thoroughly, then we will have to face unending battles. If that happens, then our Defense Services will have to continue to fight. That is how I see it.

As of now, we have 14 states and divisions, and administration base on this continues. We are also able to keep the general situation under control. What do you think will happen to the country if it is suddenly changed?

Putting aside this issue, under the 1947 Constitution there will be two chambers in the assembly. This matter must be addressed. Will there be a single chamber assembly or a two-chamber assembly? [passage omitted]

Broadcasting stations are now regularly making noises about both the immediate transfer of power following the landslide victory and the stalling tactics of SLORC. They also broadcast for the DAB, calling for transfer of power and [words indistinct] 1947 Constitution. I cannot understand all of what they are saying about internal and external affairs, insurgents, the ethnic issue, the narcotic issue, democracy, and whatnot. Today's situation demands caution so there will be no division despite all the attempts aimed at division.

The constitution issue is to be coordinated by elected parties and assembly representatives. As for us, we are to maintain the situation in the country by ensuring law and order and stability until the emergence of a government according to the constitution. Although the elections are over, we must continue to attend to the three tasks for the country. However, remember firmly that we are not doing this because we are power hungry. I have stated this repeatedly.

The dangerous divisions in the country can be seen from the fact that 93 parties ran in the elections. There were also independent candidates. There were a total of 27 parties and six independents elected. Meanwhile, the commission severed contact with one of the unelected parties which is carrying two separate signboards [referring to split in League for Peace and Democracy]. [passage omitted]

It will be necessary to ensure that democracy has discipline. As preached by Mingun Abbot the other day, it is about time we reduce ou greed, delusion, and anger. Discipline is law. One should not say freely what one feels like saying. It will be necessary for organizations to operate according to their respective rules and regulations. I would like to urge the party organizations to refer back to the pledges they made in documents they published before the elections. [passage omitted]

It will be necessary to view a constitution from both the historical and legal viewpoints. So much for what I want to say.

I would like to urge regional commanders, divisional commanders, and chairmen of law and order restoration councils to give their submissions on the matters they want to present here.

Arrest of 33 Students in Mandalay Reported

BK0507091090 Melbourne Overseas Service in English 0803 GMT 5 Jul 90

[From the program "International Report"]

[Text] In Myanmar [Burma], the military government has arrested 33 students in the center of city of Mandalay in the first crackdown since the election victory of the National League for Democracy last month, but all the students were released 24 hours later—a sign of the growing strength of the pro-democracy movement. Nicholas Stewart has only now been able to file this report from Mandalay, where he was the only foreign journalist present when the trouble began.

[Begin Stewart recording] The student movement in Myanmar has formed a catalyst upon which protests against the military junta's rule have crystalized. So when the students called a conference last weekend in Mandalay, there was always the possibility of trouble. The students met secretly in a Buddhist monastery so that they could recognize one another. They wore a uniform with white shirts and Kachin longyis—that is, green and purple cloth sarongs.

But as the meeting was almost over, soldiers—some in plain clothes and others with weapons and tear gas—surrounded the pagoda. Before the soldiers could move in, 500 monks gathered and moved toward the army cordon with the students in their midst. Led by an abbot, the monks pushed past the soldiers allowing most of the students to escape. According to one eyewitness, the Buddhist abbot allegedly shouted: You soldiers are foolish fellows, because your leaders have already secured their asylum in China.

In the surprise and confusion that ensued, most escaped. But 33 people were arrested when they abandoned the shelter of the monks' lines too early. All were released, however, within 24 hours after a mild questioning by the military intelligence.

It is a sign of the times in Myanmar that major trouble was avoided, although both sides are coming under increasing pressure since the election victory of the National League for Democracy one month ago. The army commanders have refused to spell out the nuts and bolts of any handover of power and have held a strategy meeting themselves in the capital, Yangon [Rangoon].

The students' first demand was for the release of Aung San Suu Kyi, the charismatic leader of the league who has been under house arrest for almost a year. But before the students were released from jail, the major general commanding the Mandalay District allegedly told them that the military would never accept the government with her as its head. If that is true, it is a warning that more trouble is yet to come, because the students say that Aung San Suu Kyi is the only person who can reunite the country. [end recording]

Brunei, Malaysia & Singapore

Malaysia

Commentary on U.S. Suspension of PLO Talks

BK0507095190 Kuala Lumpur International Service in English 0800 GMT 5 Jul 90

[Station commentary]

[Text] Malaysia is deeply disappointed with the United States which has suspended its dialogue with the Palestine Liberation Organization, PLO. For some 18 months, though not too fruitful, talks had been initiated to find a peaceful solution to the West Asian conflict. The move by the United States will therefore undermine efforts to this end. On 22 June, President Bush announced the calling-off of talks over PLO's refusal to condemn a (?sea raid) against Israel. It is as if America is looking for the (?littlest) of excuses to play up [words indistinct] of Israel.

PLO leader Yasir 'Arafat had already in 1988 denounced terrorism and has recognized the State of Israel. Under the PLO, there are so many groups involved in the struggle for a homeland in the occupied territories. Therefore, it has been practically difficult to control the (?numerous) factions of some splinter groups. If the United States does not seem to consider [words indistinct] to put aside any progress to the PLO struggle. As it is, Israel from the very beginning was against talks between the PLO and the United States. Therefore, quite [words indistinct] Israel has abandoned talks. The U.S. move is definitely an unfriendly and provocative act. It is a blow to the peace process.

Israel has been waiting for this for a long time. This is because Israel has always maintained that the PLO is a terrorist organization. The United States now apparently agrees that the organization has engaged in such activities. In view of this, what we have is [word indistinct] tension with the United States pushing West Asia toward a new war and an explosion at all levels.

The American decision contradicts the responsible attitude of a superpower like the United States toward the peace process in this region. Besides this, it is a blow to the credibility of the Bush administration. It does not want to accept the statement of the PLO that neither the organization nor any of its forces were responsible for the raid. Washington is clearly biased toward Israel. The PLO has previously called for an international conference on the Palestinian-Israeli conflict. Israel, however, opposes any such conference insisting only on dealing with Palestinians in the Israeli-occupied West Bank and Gaza Strip.

Now it is obvious that the United States has paved the way for the Israeli Government to continue its aggressive policy, crimes, and massacres against the oppressed Palestinian people. The U.S. move will liquidate all chances for peace. Instead, it will support and encourage

the aggressor and terrorist goals of the new Shamir government. What can be seen is the laying of groundwork for more barriers toward peace with the Palestinians. Left with no choice, the 30-month-old intifada or uprising in the occupied territories will gain further momentum. As usual, the harsh Israeli Government will continue to kill innocent people in the occupied territories. As long as Israel denies the right of the Palestinians, it will constantly be threatened by the probability of more acts of violence. There seems to be no end in sight.

How long must the Palestinians suffer?

Singapore

Ministry Welcomes Indonesia-PRC Normalization

BK0407142090 Hong Kong AFP in English 1306 GMT 4 Jul 90

[Text] Singapore, July 4 (AFP)—Singapore's Foreign Ministry said Wednesday [4 July] it welcomed the announcement that Indonesia and China would restore diplomatic relations from next month. A brief statement said Singapore backed the move and would establish diplomatic ties with China after Beijing and Jakarta normalised their relations.

"As stated previously, Singapore expects to establish diplomatic relations with PRC (the People's Republic of China) when Indonesia-PRC relations are normalised," the statement said. Indonesia broke off its ties with China 23 years ago, accusing Beijing of backing an attempted communist takeover in Jakarta. The two sides announced in Beijing Tuesday that they would restore full ties on August 8.

Singapore has no diplomatic relations with Beijing or Taipei but has close trade and cultural ties with both sides of the Taiwan Straits. Singapore has said for many years that it would establish ties with China only after Indonesia did so.

Artificial Intelligence Center Planned

OW2506064490 Tokyo KYODO in English 0608 GMT 25 Jun 90

[Text] Singapore, June 25 KYODO—In a move to become a world leader in the development and use of expert systems, Singapore is setting up an artificial intelligence center with the help of the Japanese Government, state-run Singapore Broadcasting Corp. (SBC) reported Monday.

The five-year project is expected to cost some 20 million Singapore dollars and the center is expected to be ready by the end of the year, SBC said.

The Japanese Government, through the Japan International Cooperation Agency (JICA), will contribute hardware, software, and experts on artificial intelligence, it said. The agency will train 20 local instructors in Japan from September and the instructors will work closely with Japanese experts assigned to Singapore to develop the content of the course for the center.

Singapore will provide the instructors and the facilities and pay for the operating costs of the center.

Cambodia

Sihanouk Says Supreme Council Not To Meet Now

BK0307140490 Hong Kong AFP in English 1343 GMT 3 Jul 90

[Excerpt] Bangkok, July 3 (AFP)—Cambodian resistance leader Prince Norodom Sihanouk has effectively said a transitional supreme national council (SNC) could not meet in the present circumstances, resistance sources said here Tuesday. The prince, Cambodia's former monarch and one of two non-communist leaders allied to the powerful Marxist Khmer Rouge against Phnom Penh's pro-Vietnamese government, made this clear in a letter to Cambodian Prime Minister Hun Sen, they said.

Last month Prince Sihanouk, the figurehead leader of the guerrilla coalition, and Mr. Hun Sen signed an agreement in Tokyo to refrain from using force in Cambodia and to set up the SNC aimed at symbolizing Cambodia's sovereignty. But the Chinese-backed Khmer Rouge boycotted the agreement, under which the SNC is to be made up of 12 members, six for Phnom Penh and six for the United Nations-recognized guerrilla coalition.

The sources said Prince Sihanouk, who is currently in North Korea, had not explicitly ruled out a meeting of the council which, according to the Tokyo accord, should be convened "not later than the end of July 1990."

But the 68-year-old former monarch has written to Mr. Hun Sen that the SNC could not be convened in a government-controlled area because of Vietnam's presence in Cambodia, or in a guerrilla-held sector because full security could not be guaranteed for Phnom Penh's representatives, or outside Cambodia because that would be inappropriate, the sources said.

Vietnam, which invaded Cambodia 11 and a half years ago to oust a Khmer Rouge regime, has said it withdrew all its troops from the country at the end of September last year, but the Khmer Rouge and their allies have rejected this, saying tens of thousands of Hanoi's soldiers are there to shore up Phnom Penh's fledgling forces.

Prince Sihanouk's letter was in reply to one sent to him last month by Mr. Hun Sen calling for the prince to complete his six SNC appointments, and to propose a date and venue for the first council meeting, the sources said. [passage omitted]

VONADK on Attempts To 'Topple' Hun Sen

BK0507041690 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 4 Jul 90

[Text] According to reliable informed sources in Phnom Penh, traitor Hun Sen's clan has lately arrested many members from the clan called A Salat belonging to traitor Chea Sim, chairman of the Vietnamese traitorous lackey puppet Hun Sen-Heng Samrin regime's National Assembly, as well as several elements from other groups. The arrests have inflamed traitor Chea Sim's clan and other traitorous gangs as they continue to find ways to retaliate.

The reports added that at present, traitor Chea Sim has joined forces with the clan of traitor Sin Song, head of the Vietnamese traitorous lackey puppet Hun Sen-Heng Samrin regime's Interior Ministry, to compile a file aimed at crushing the clan of one-eyed Hun Sen.

The reports also confirmed that traitor Tie Banh's clan—which has been suspected of attempting to topple traitor Hun Sen's clan and who has since been removed from Phnom Penh—with a number of army commanders, have recently teamed up with the clans of traitors Chea Sim and Sin Song to plan a retaliation against one-eyed Hun Sen.

Phnom Penh Localities Reported 'Liberated'

BK2606065990 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 25 Jun 90

[Text] At midnight on 19 June, our national resistance forces raided Pang Kesei and Kai Rung seats and completely liberated Prey Vihear and Moha Russei communes on Route 3 in Kong Pisei District, southwest Phnom Penh battlefield. We killed five and wounded six enemy soldiers. We destroyed two B-40 rocket launchers, five AK's, a tractor, nine vehicles, 15 motorbikes, 40 bicycles, and 10 sewing machines, and seized an AK rifle, an AR-15 rifle, a generator, and some war materiel. We liberated the following 25 villages: Kay Rung, Ach Kantheay, Chrey Vea, Ang Snay, Rolung, Prey Kduoch Thmei, Kbal Romeas, Bak Chenhchien, Krang Sbov—in Moha Russei commune—Bareng, Prey Nhoek, Ang Kdei, Ang Romiet, Ang Khcheay, Prey Smach, Boeng Roneal, Trapeang Trav, Bak Chenhchean Khang Tbong, Trapeang Chrey, Chamka Dong, Trapeang Svay, Sre Damnak, Tram Kang, S'am Thmenh, and Sang Kasei Khang Kaeut in Prey Vihear commune; and freed 50 local officials.

Resistance Says Villages in Tuk Meas Liberated

BK2806030090 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 27 Jun 90

[Text] On 20 June, our national resistance forces cooperated with villagers and compatriot Cambodian soldiers in attacking and destroying two Vietnamese-puppet positions: a battalion position at the Roung Veng market and a company position in Trapeang Kda village. We also completely dismantled the administrative networks in Roung Veng and Kh'cheay communes, Tuk Meas District, Kampot battlefield. We killed nine enemy soldiers, including a company commander, on the spot and wounded 15 others. We destroyed five B-40 and B-41 rocket launchers, two light machine guns, three commune office buildings, two rice-husking machines, seven bicycles, two drums of engine oil, and some war materiel. We liberated the following seven villages: Khpuos, Trapeang Kda, O Russei, Trapeang Andong, Chhlik Kraom, Prek Samnang Leu, and Prek Samnang Kraom.

Along with this, we dismantled the administrative networks in Sre Chea commune and liberated the following four villages: Prey Pi, Pren Tung, Trapeang Chraneang, and Sophi. We killed two enemy soldiers and wounded four others.

On 21 June, the Vietnamese enemies and puppets marshaled two companies from the Kompong Trach district seat and Dang Tung in an attempt to counterattack and retake these positions and villages. However, shortly after moving out, they were ambushed, routed, and forced to beat a complete and hasty retreat to Kompong Trach and Dang Tung. We killed three and wounded six more Vietnamese enemy soldiers and seized seven AK's, six B-40 and B-41 rocket launchers, a light machine gun, a 60-mm mortar, and a great deal of ammunition and war materiel.

Results of 30 Jun 'Sweeping Operations' Noted

BK0407010090 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 3 Jul 90

[Text] On the morning of 30 June, our national resistance forces launched sweeping operations against Vietnamese enemies and their puppets along Route 24 from O Poes to Stoeng Pon. Following an hour of fighting, we totally liberated and controlled this stretch of road and swept the enemies from this area. As a result, we destroyed a Vietnamese-puppet regiment position, an intelligence center at Santik, three company positions at Chruoy Hay and Dei Kraham, two office buildings of Sre Veal commune, and four bridges along Route 24. We killed 30 enemy soldiers, including two battalion commanders and two company commanders, and captured eight Vietnamese. The enemies left eight dead bodies on the battlefield.

We totally liberated Sre Veal township and Dang Kda and Sopheas communes in Stoeng Trang District, Kompong Cham Province. We also liberated the following 24 villages: Veal, Trapeang Russei, O Poes, Trapeang Lpeou, Bos Pou, O Leu, Trapeang Leak, Trapeang Chhuk, O Long, Trapeang Kroch, Tuol Kruos, Sreveal, Dei Kraham, Phnum Ampil, Stoeng Pon, Preah,

Khla Kaon, Rumhoey, Thmei, Santik Kandal, Santik Khang Cheung, Santik Khang Tbong, Chrey Hay, and Hong Prama.

We freed 250 village and commune administrators, Cambodian soldiers, and militiamen. We seized 97 assorted weapons—11 B-40's, three B-41's, 14 machine guns, a 60-mm mortar, a Goryunov gun, six AR-15's, and 61 AK's—eight mines, a large quantity of assorted ammunition, an ICOM walkie-talkie, five motorcycles, and 30 sacks of rice.

On the same day, our national resistance forces attacked and totally dismantled a Vietnamese-puppet administrative network in Veal Khnong village. We destroyed a bridge and cut off a stretch of Route 21 from Roluos to Bos Knar village.

Bou Thang Chairs Proselytization Meeting 29 Jun

BK0207075790 Phnom Penh Domestic Service in Cambodian 0430 GMT 2 Jul 90

[Text] On 29 June at 26 August Guest House, the Central Proselytization Commission held a meeting to review its work nationwide for the 1989-90 dry season and made plans that will be implemented during this rainy season and the 1990-91 dry season. Participating in the meeting were members of the central commission; chairmen and vice chairmen from provincial and district proselytization commissions throughout the country; representatives from military regions and army divisions; outstanding persons in proselytization work; and many representatives from various relevant offices and institutions.

In his opening speech, Comrade Gen. Bou Thang, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and chairman of the Central Proselytization Commission, expressed his appreciation and satisfaction over the work. In the past dry season, cadres and combatants from top to bottom and people from all walks of life had made great achievements in proselytization by convincing misled persons to sever themselves from the enemies and return to the national fold.

Comrade Bou Thang exhorted the audience to relate their good experiences as lessons for each other in order to expand the areas of conquests over the enemy, in particular, to successfully implement the three strategic objectives of the party and state as defined by the party fifth congress and the party Central Committee's 10th congress.

Cabinet, 68th Armored Regiment Sign Alliance

BK3006051390 Phnom Penh Domestic Service in Cambodian 1300 GMT 29 Jun 90

[Text] A ceremony was held on 28 June at the the 68th Armored Regiment Command to sign an alliance agreement between Comrade Uk Rabun, deputy chief of the party Central Committee's Cabinet, and Comrade Major General (Sam Phak), chief of the Political Service of the 68th Armored Regiment, as a token of strengthening the bond between the front line and the rear.

On the same occasion, representatives of the party Central Committee's Cabinet also distributed gifts, such as clothes, sarongs, soap, and some other necessary items, to members of the 68th Armored Regiment.

Representatives of the two units also put emphasis on the importance of the work activities and responsible tasks and duties that were carried out in the past in contribution to national construction and defense.

Speaking on that occasion, Comrade Im Chhunlim, alternate member of the party Central Committee and deputy chief of the party Central Committee's Cabinet, said he highly valued the spirit and work achievements scored by the heroic 68th Regiment on the battlefield and in ensuring social security. The comrade also informed cadres and combatants of the 68th Regiment of the party-state efforts to seek a political solution to the conflict in Cambodia. Comrade Im Chhunlim stressed that the Armed Forces, including the 68th Armored Regiment, constituted the core and key forces in the fight for national defense against the enemies. Therefore, all cadres and combatants must continue to enhance their sense of responsibility so as to achieve success in all their tasks.

Leaders Confer High Ranks on Military Officers

BK2906074290 Phnom Penh Domestic Service in Cambodian 1300 GMT 28 Jun 90

[Report with portions recorded on meeting held in Phnom Penh on 28 June to mark the Kampuchean People's Revolutionary Party's 39th founding anniversary]

[Excerpts] A solemn meeting was held this morning [28 June] at the Basak festival in Phnom Penh to mark the KPRP's [Kampuchean People's Revolutionary Party's] 39th founding anniversary. [passage omitted]

On this solemn occasion, Comrade General Secretary Heng Samrin conferred the military high rank of vice admiral [Oddam Neavi Tou] on Comrade Nuon Sok. Comrade Chea Sim also conferred the rank of major general on Comrade Meas Saophea while Comrade Hun Sen conferred the rank of colonel on Comrades Phan Nguon and Meas Saran. [passage omitted]

National Bank Wants Control of Foreign Exchange

BK3006025090 Hong Kong AFP in English 1947 GMT 29 Jun 90

[Text] Phnom Penh, June 29 (AFP)—Cambodian banking officials are hoping that planned legislation covering foreign exchange transactions will help put the lid on soaring inflation. The law covering currency and specie, if passed during a meeting expected next month of the National Assembly, will give the national bank

sole right to handle foreign exchange transactions and fix rates, a senior official of the bank said here Friday [29 June].

The official dollar exchange rate has been 380 riels to the greenback since June 20 compared to 360 in April and 260 in January, said Kang I, vice president of the national bank. On the free market the U.S. unit was changing hands Friday for 470 riels, against about 385 in April.

The effects of the depreciation are apparent in rising free market prices in a country where a mid-ranking civil servant gets about 1,500 riels a month for a family that on average needs 20,000 riels a month to survive. Unofficial sources have reported growing absenteeism by civil servants who must do more than one job to make ends meet.

Mr. Kang I identified private export and import business as the main cause of the upward spiral. He said there was much export-import business that bypassed the national bank and consumer goods coming into Cambodia were being paid for in dollars. In addition traders were selling dollars away from state control on the free market.

The government, which began liberalising the socialist economy last year, currently lacks legislation to control the free trade in exchange. But under the draft law for managing foreign currency, and gold and silver, "all exchange of foreign currency must go through the national bank," Mr. Kang I said. All import and export traders would be required to apply for permission from the bank when carrying out business.

As a means of controlling foreign exchange dealings in the free market, shopkeepers who buy and sell currency will have to contact the bank before increasing or decreasing their rates, the official added.

The law will be enforced with the help of ministries, economic police and municipal and provincial authorities.

A figure for Cambodia's foreign exchange reserves was not available, nor was the inflation rate.

SPK Reports on Current Farming Activities

BK2906063490 Phnom Penh SPK in English 0458 GMT 29 Jun 90

[Text] Phnom Penh SPK June 29—By early this month, peasants throughout the country had grown rice on 48,700 ha [hectares], including 19,540 ha of floating rice.

In this monsoon season, the peasants are expected to put 1.94 million hectares under rice. So far, about 123,000 ha of land have been prepared for the cultivation, half of which mechanically ploughed.

The Agrology Department said that the ploughed area is 21,900 ha more than the same period last year. It ascribed the achievement to the practice of the contractual system in ploughing and the good supply of tractors to the peasants throughout the country.

As far as subsidiary food and industrial crops cultivation is concerned, the peasants planted 16,000 ha of such crops in the same period.

Heng Samrin Greets Nguyen Van Linh's Birthday

BK0207023390 Phnom Penh Domestic Service in Cambodian 1300 GMT 1 Jul 90

[Text] Comrade Heng Samrin, general secretary of the Kampuchean People's Revolutionary Party [KPRP], recently conveyed a greetings message to his Vietnamese counterpart, Comrade Nguyen Van Linh, on the latter's 75th birthday.

The message reads: I would like to extend to you best wishes. May you have the best of health, zealous physical strength, longevity, and every success in the performance of your tasks. I highly esteem and appreciate your patriotic spirit, high internationalist proletarian sentiment, and great contribution in expanding and enhancing the relations of militant solidarity, friendship, and cooperation between our two parties and peoples as well as between our three countries, Cambodia, Vietnam, and Laos.

Bou Thang Receives SRV Construction Official

BK2906095690 Phnom Penh Domestic Service in Cambodian 2300 GMT 28 Jun 90

[Summary] Bou Thang, member of the Political Bureau of the Kampuchean People's Revolutionary Party Central Committee and vice chairman of the Council of Ministers, received Comrade (Thanh Su Linh), Vietnamese first deputy minister for construction, at the office of the Council of Ministers.

(Thanh Su Linh) reported to Bou Thang on the efforts of Vietnamese workers and cadres, in cooperation with the Cambodian construction department last year, to complete the first phase of the construction of a party school. He also talked about the shortage of building materials and means and hoped that the Cambodian Council of Ministers would assist in solving this problem in order to finish building the party school.

Replying, Bou Thang talked about the major reasons of the Cambodian and Vietnamese parties for rebuilding the party school and thanked the Vietnamese workers and cadres for their efforts. He also promised that the Cambodian side will solve the shortage of building materials.

SRV Committee Greets 39th Party Anniversary

BK2906061690 Phnom Penh SPK in English 0502 GMT 29 Jun 90

[Text] Phnom Penh SPK June 29—The Central Committee of the People's Revolutionary Party of Kampuchea [KPRP—PRPK] has received a message of greetings from the Central Committee of the Communist Party of Vietnam on the 39th founding anniversary of the P.R.P.K. (June 28).

The message reviewed the important achievements recorded by the Cambodian people in all fields under the leadership of the P.R.P.K. and the constantly growing position of the State of Cambodia on the international arena.

It said: "We firmly believe that though faced with difficulties and hardships ahead, the Cambodian people will continue rallying closely around the P.R.P.K. in their march forward to new and greater achievements in carrying out the tasks set for this stage of their revolutionary struggle for a peaceful, independent, neutral and nonaligned Cambodia.

"We are very glad to note that despite difficulties and hardships in the new stage of revolution, the traditional solidarity, friendship and fraternal cooperation between our two countries will continue to further consolidate and develop thus contributing to the success of our revolutions. We pledge to constantly do our utmost to strongly consolidate and develop the close militant solidarity and fraternal cooperation between our two parties and peoples, and among Vietnam, Laos and Cambodia for the benefits of the revolution of each country and of the three countries as a whole, and for peace, stability and cooperation in Southeast Asia and the world".

The message expressed the profound gratitude of the Communist Party and people of Vietnam to the P.R.P.K. and the Cambodian people for their support and assistance to the Vietnamese revolution.

Soviet Defense Official Greets Pol Saroeun

BK2906101990 Phnom Penh Domestic Service in Cambodian 0430 GMT 29 Jun 90

[Text] On the 39th founding anniversary of the Army and Army-People Solidarity Day, Comrade Lieutenant General Pol Saroeun, deputy defense minister and chief of staff of the Cambodian People's Army, received a message from General Moiseyev, deputy defense minister and chief of staff of the USSR Army. The message says in essence: I would like to express warm congratulations on the anniversary of the Cambodian People's Army. I wish you good health, happiness, and great successes in your noble tasks.

GDR Foreign Minister Sends Message to Hun Sen

BK2906090290 Phnom Penh SPK in French 0440 GMT 29 Jun 90

[Text] Phnom Penh, 29 Jun (SPK)—"The GDR will do its utmost to promote a peaceful settlement of the Cambodian issue" affirmed Meckel, foreign minister of the GDR, in a letter addressed to Hun Sen, the Cambodian foreign minister, to thank the latter for congratulating him on his appointment to the post of foreign minister.

The message stresses:

"I appreciate all efforts leading to the definitive settlement of the conflict in Cambodia and the armed struggle. I have noted with satisfaction that your country pays great attention to the proposal put forward by the Australian Foreign Minister. The GDR appreciates an enhanced involvement of the United Nations and is willing to contribute actively. In the GDR, we fully understand the Cambodian people's aspirations to express their choice through free elections organized and supervised by the United Nations. We also understand your people's demand to prevent the Polpotist regime's return."

"The recent developments in favor of a political solution, particularly the announced decision on a cease-fire, and your new meeting with Prince Norodom Sihanouk in June in Tokyo, have comforted me with the hope of seeing major progress to a future settlement of the Cambodian conflict. The cessation of all military assistance for all Cambodian parties, as proposed by many states, would be a significant step along this path."

Leaders Greet Mozambique on 15th National Day

BK0207054390 Phnom Penh SPK in English 0410 GMT 2 Jul 90

[Text] Phnom Penh SPK July 2—Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea Central Committee, has extended warmest congratulations to Joaquim Alberto Chissano, president of the Frelimo [Mozambique Liberation Front] Party and president of the People's Republic of Mozambique, on the 15th independence day of the republic (June 25).

In this message, the Cambodian leader highly valued the achievements made over the past 15 years by the Mozambican people in their national defence and construction despite acts of sabotage conducted by the South African racist regime.

"The Cambodian people, in their struggle against the recurrence of the genocidal Pol Pot regime, reaffirm their strong support for the People's Republic of Mozambique's stance on reestablishing peace through dialogues," said the message which wished for a constant development of the solidarity, friendship and cooperation between the two nations.

On the same occasion, Hun Sen, in the name of foreign minister of the State of Cambodia, also warmly greeted his Mozambican counterpart, Pascoal Manuel Mocumbi.

SPK Reports 15-19 Jun Battle Activities

BK2606054990 Phnom Penh SPK in English 0430 GMT 26 Jun 90

[Text] Phnom Penh SPK June 26—According to military sources, the government forces in Banteay Meanchey Province, 360 km northwest of Phnom Penh, wiped out 15 enemy troops and wounded 50 others during their operation on June 19 at Kouk Prich and Kouk Prasat. They also killed 72 other enemy troops in clashes at Svay Chek and Soeng.

In Battambang Province, 15 Khmer opposition troops were killed and 20 others wounded by government forces in skirmishes in the district of Ratanamondol on June 15. The government forces also seized four firearms and a quantity of other military gear.

In a mopping-up operation in the province of Kompong Thom on June 17-19, the government forces annihilated on the spot 81 Khmer reactionaries.

Radio Reports 17-23 Jun Battle 'Successes'

BK2806070690 Phnom Penh Domestic Service in Cambodian 2300 GMT 27 Jun 90

[Text] Last week, in spite of their continuous heavy setbacks, the three Cambodian reactionary groups continued to shell some border areas in Banteay Meanchey Province. During the same period, our Armed Forces jointly launched counterattacks and search-and-destroy operations against the enemies, scoring remarkable successes. For example, between 17 and 23 June, we put out of action 589 enemy soldiers, including 464 killed, 90 captured, and 35 surrendered; we seized 207 assorted firearms, 10 metric tons of ammunition, 300 mines, and two field radios.

Phnom Penh on 24 Jun Combat in Banteay Meanchey

BK3006074190 Phnom Penh Domestic Service in Cambodian 0430 GMT 30 Jun 90

[Text] According to a report from Banteay Meanchey Province, on 24 June, the regular forces of our Cambodian People's Armed Forces [CPAF] in Banteay Meanchey Province launched an operation against the enemies in an area 5 km south of Kouk Mon. They killed 10 enemy soldiers and wounded 13 others. Our forces also seized a quantity of weapons and materiel.

This and the past victories won by our CPAF frontline units constitute another heavy blow to the three Cambodian reactionary groups which are becoming more and more demoralized and are suffering increasing losses in terms of manpower and materiel due to the repeated defeats in their adventurous attempts. Meanwhile, our CPAF has constantly enhanced its position of strength and mastery on the battlefield and is firmly defending all important areas.

Outcome of Banteay Meanchey Dry-Season Campaign

BK0207051090 Phnom Penh SPK in English 0413 GMT 2 Jul 90

[Text] Phnom Penh SPK July 2—In the just ended dry-season, the Cambodian Armed Forces in Banteay Meanchey Province, 360 km northwest of Phnom Penh, undertook 320 operations against the enemy, wiping out on the spot 649 enemy troops, wounding 265 others and seizing 175 assorted guns, 35 tons of mortar shells and a good quantity of other ammunition.

Of the enemy casualties, 215 were Polpotists, 290 Sereikans [Son Sann's soldiers] and 144 Sihanoukists.

In the meantime, the provincial authorities received 667 enemy troops who gave up their ranks and crossed over to the nation's fold, bringing along 437 guns of various calibers.

Indonesia

Diplomatic Ties With China To Be Resumed 8 Aug

BK0307121590 Jakarta ANTARA in English 1141 GMT 3 Jul 90

[Text] Beijing, July 4 (ANTARA)—Indonesia and the People's Republic of China will resume diplomatic relations on August 8, 1990, a joint communique signed by Indonesia's Foreign Minister Ali Alatas and his Chinese counterpart Foreign Minister Qian Qichen said here on Tuesday [3 July].

According to the communique, the resumption of the diplomatic relations was made in conformity with the agreement reached in Tokyo on February 23, 1989 that normalization of relations would be put on the basis of the Five Principles of Peaceful Coexistence and the Ten Principles of the Bandung Conference.

It said the two countries had also agreed to exchange ambassadors and provide each other with facilities for the reopening of their respective diplomatic missions.

Upon the invitation of President Suharto, Premier Li Peng will make an official goodwill visit to Indonesia on the occasion of the resumption of the diplomatic relations, it was announced.

Foreign Minister Ali Alatas has been invited to visit China on July 1-4 by his Chinese counterpart Foreign Minister Qian Qichen for the completion of the process for the resumption of the diplomatic relations between the two countries.

Alatas has signed an agreement on the settlement of Indonesia's debt to the People's Republic of China.

During the visit, Alatas has been received by General Secretary Jiang Zemin of the Central Committee of the Communist Party of China and Premier Li Peng of the State Council. He has also exchanged views with Minister Qian Qichen on bilateral issues, the Cambodian question and other regional and international issues.

Indonesia To Repay PRC Debt

BK0407160090 Hong Kong AFP in English 1541 GMT 4 Jul 90

[Text] Jakarta, July 4 (AFP)—Indonesia is to repay its outstanding debts to China within 10 years under an agreement signed in Beijing Tuesday [3 July], Indonesian Foreign Minister Ali Alatas said here Wednesday.

Mr. Alatas said oustanding debts to China, incurred before Indonesia froze relations with China in 1967, has been agreed at 84 million dollars.

Under the agreed repayment formula, all interest due before 1970 will be added to the principal and repayment will be made in 30 equal installments between 1990 and 2000, Mr. Alatas said on his return from Beijing. The first payment will be made before December this year, he said. Payments would be either in cash or in kind, or a combination of the two, he said, adding that China had listed crude oil, urea, plywood and rubber among Indonesian commodities it would accept.

Indonesia received massive Chinese financial and military aid in the early 1960s when it was ruled by left-leaning President Sukarno, who was replaced by General Suharto in 1967. However, Jakarta cut its ties with China after accusing Beijing of backing a communist-backed coup attempt here in 1965.

Mr. Alatas and his Chinese counterpart Qian Qichen agreed in Beijing Tuesday that the two countries would normalize diplomatic relations on August 8. Chinese Premier Li Peng is expected to sign an agreement to that effect during his state visit here on August 6-9 at the invitation of Indonesian President Suharto.

Situation 'Critical' at Island Refugee Center

BK0307095590 Jakarta KOMPAS in Indonesian 18 Jun 90 pp 1, 8

[Excerpt] Galang Island, KOMPAS—The heavy outflow of Vietnamese and Cambodian boat people from their own countries has made the situation on Galang Island, a temporary holding center for Vietnamese refugees, reach a critical level. Facilities at the 164-square-kilometer island can no longer accommodate the refugees' needs.

Speaking on Galang Island last Friday [15 June], Lieutenant Colonel Dukseno, assistant for the planning of the P3VD [Center for Processing and Management of Vietnamese Refugees], said the island, located about 70 kilometers from Batam Island, was originally designed as a temporary holding center for 5,000 to 6,000 people only. At the moment, there are 16,559 boat people, and the number will increase because there are still 658 boat people living outside Galang Island, namely at Ranai (241), Kuku (413), and Pontianak (4).

In addition, an average of four to five babies are born every month on the island. Between 20 and 25 babies were born in recent months, and about 80 women among the boat people are now pregnant.

Dukseno said this situation cannot be allowed to go on because it involves human lives. "The inadequate accomodation facilities, poor sanitation, lack of drinking water and electricity, and minimal health services on Galang Island will certainly have a negative impact on the lives of these boat people," said Dukseno.

He noted that since 1979, a total of 140,738 Vietnamese boat people have been processed on Galang Island; 124,049 have successfully resettled in third countries, eight have been repatriated, and 122 have died. [passage omitted]

Laos

Thai Military Delegation Visits Vientiane

BK0407141090 Vientiane Domestic Service in Lao 1200 GMT 4 Jul 90

[Text] High-level military delegations of the Lao People's Democratic Republic [LPDR] led by General Sisavat Keobounphan, chief of the General Staff of the Lao People's Army, and the Kingdom of Thailand led by Gen. Sunthon Khongsomphong, supreme commander of the Thai Armed Forces, met at Lan Xang Hotel today. The Thai military delegation arrived in Vientiane capital this morning for a visit to the LPDR at the invitation of Gen. Sisavat Keobounphan.

During the meeting, which proceeded in an atmosphere of good-neighborliness, the two military delegations reviewed the achievements of the joint operations between the Armed Forces of the two countries and regarded that such cooperation has significantly contributed to strengthening the long-standing friendship between the Lao and Thai peoples. The two sides agreed that past cooperation between the Armed Forces of the two countries has not yet fulfilled the aspirations of the Lao and Thai peoples. Therefore, the Armed Forces of the two countries must make full use of their potentials to further promote relations between the two countries so to defend peace and continue development of Lao-Thai friendship in the interests of the Lao and Thai peoples. The two delegations also pledged to further expand friendly relations and cooperation between the Lao and Thai Armed Forces. They were unanimous on all issues raised for discussion during the meeting.

Gen. Sisavat Keobounphan, chairman of the Lao-Thai Cooperation Committee, and Gen. Sunthon Khongsomphong, chairman of the Thai-Lao Cooperation Committee, who succeeded former chairman Gen. Chawalit Yongchaiyut, emphasized the need to increase economic and cultural cooperation so that cooperation programs in each field will be effectively implemented on the basis of mutual interests.

This is the first visit to Laos by Gen. Sunthon Khongsomphong since his appointment as supreme commander of the Thai Armed Forces nearly three months ago.

After attending the luncheon hosted in its honor by Gen. Sisavat Keobounphan, the Thai delegation comprising over 50 military officers left Vientiane capital at 1400 for Bangkok on board a special plane of the Royal Thai Air Force.

Discussion Detailed

BK0507015190 Bangkok BANGKOK POST in English 5 Jul 90 p 3

[Text] Thai and Laotian military delegations met in Vientiane yesterday to discuss unresolved border disputes and Laos' repeated claim that Laotian resistance groups are operating from the Thai border with Thai support.

The meeting was held at the Lan Xang Hotel between Supreme Commander Sunthon Khongsomphong, chairman of the Thai-Lao Border Policy Implementation Committee, and his Laotian counterpart Sisavat Keobounphan. Gen Sunthon has taken over chairmanship of the committee from former acting supreme commander Chawalit Yongchaiyut. It was his first trip to Vientiane since taking up the post. He was accompanied by Navy Chief Adm [Admiral] Praphat Kritsanachan, Deputy Army Chief Gen [General] Isaraphong Nunphakdi, Deputy Air Force Chief ACM [Air Cief Marshal] Kan Phimanthip, Armed Forces Chief-of-Staff ACM Phisit Salikhup, commanders of the four army regions, Armed Forces Intelligence Director Lt-Gen [Lieutenant General] Charan Kunlawanit and many other top military officers.

Gen Sunthon met with Gen Sisavat for about 30 minutes at the Lan Xang Hotel, which was followed by a meeting between the Thai and Lao delegations. At the meeting, Gen Sunthon pledged to continue Gen Chawalit's effort to enhance Thai-Lao relations for the benefit of the people of the two countries.

Gen Sisavat said that despite growing trust between the two peoples in trade and economy, he would like the military delegations to seek a solution to the problem of Laotian "reactionaries" continuing to cross the Mekong River to operate as resistance forces in Laos. He said the attacks had sowed distrust in the minds of the Lao people and affected relations with Thailand. He said the Lao people are dismayed that Thailand has not taken any action against the "reactionaries". Gen Sisavat asked Thailand to disarm the so-called Lao resistance and keep them at a detention centre.

Concerning Lao refugees in Thailand, Gen Sisavat said Laos wants to get them back to help develop the country.

Gen Sisavat said the Lao people want a peaceful settlement of the dispute at the border between Chat Trakan District in Phitsanulok and Mouang Boten in Sayaboury Province. The border in the area of dispute should be clearly marked according to agreements signed by the two countries, he said. Any future border dispute should be solved through peaceful means, not by force, he said. He said he wanted to see the military delegations of both sides have full authority to make a decision on border problems in the name of the joint border committee.

During lunch, Gen Sisavat and top Lao military officers, including Maj-Gen [Major General] Thonglai Kommasit, denied reports that the Lao people had been banned from listening to Thai radio, watching Thai television or reading Thai newspapers. Gen Sisavat said the Lao people are independent and democratic and are free to see and hear whatever they like.

The Thai military delegation arrived back at Don Muang Airport at about 4 p.m.

Regarding the Lao resistance, Gen Sunthon said he and Gen Sisavat had agreed to his suggestion that Laos regard them as ordinary bandits struggling for survival and not put too much importance on them. He said the problem could be solved the same way as had a similar one between Thailand and Malaysia.

Concerning the border dispute, the Supreme Commander said that before the trip Prime Minister Chatchai Chunhawan had approved solving the problem through compromise. Gen Sisavat had agreed, he said. Gen Sunthon refused to elaborate until he meets with the Prime Minister.

General Sunthon Reports

BK0407142490 Bangkok Army Television Channel 5 in Thai 1230 GMT 4 Jul 90

[Text] Today, Supreme Commander General Sunthon Khongsomphong, accompanied by senior military officials, made an official visit to Laos, his first official foreign visit since taking over as supreme commander. The visit was aimed at strengthening military relations between the countries.

Gen. Sunthon was welcomed upon arrival in Laos by Gen. Sisavat Keobounphan, chief of general staff of the Lao People's Army. They then proceeded to Lan Xang Hotel in Vientiane for a meeting. At the meeting, Laos proposed cooperation with Thailand to deal with displaced Lao citizens operating against the Lao Government and to accelerate demarcation of the problem border areas. Gen. Sunthon told the Lao officials that the

displaced Lao elements are in fact homeless bandits who earn their living by plundering Thai and Lao villagers.

On border demarcation, Gen. Sunthon said the principle of give and take must be applied.

[Begin Sunthon recording in progress] ... we must apply the principle of give and take. I sought and received approval from the prime minister yesterday to the effect that we will accept some compromises so as to bring to an end [disputes] before we retire from government service. Gen. Sisavat also accepted this principle. Regarding what we will do next, I will report to the prime minister our plan of action. The principle, however, is that Laos must be ready to accept that it will lose some and gain some. The same applies to Thailand. This is the principle that both sides have accepted. [end recording]

Regarding calls by Cambodian leaders on Gen. Chawalit Yongchaiyut, the supreme commander said the Cambodian leaders probably felt that Gen. Chawalit understood the Cambodian problem in depth. The decision lies with the prime minister whether or not a meeting of the Cambodian leaders will be held in Thailand. The military establishment wants to see peace in Cambodia as soon as possible, because it does not want Thai people to suffer from the fighting among Cambodians.

Gen. Sunthon invited Gen. Sisavat to reciprocate his visit. Gen. Sisavat agreed, hoping to visit Thailand in August.

Kaysone Phomvihan Receives Thank-You Message

BK3006123490 Vientiane KPL in English 0929 GMT 30 Jun 90

[Text] Vientiane, June 30 (KPL)—Chairman of the Council of Ministers Kaysone Phomvihan, recently received a message of thanks from the prime minister of the Federal Republic of Czech and Slovak, Dr. Marian Calfa.

The message expressed his thanks to the Lao CM [Council of Ministers] chairman for sending greetings to him on the occasion of the republic's national day.

Phoun Sipaseut, foreign minister, also received a message of the same nature from his Czech and Slovak counterpart, Mr. Jiri Dienstbier.

Phoumi Vongvichit Sends Message to SRV

BK0507102190 Vientiane KPL in English 0928 GMT 5 Jul 90

[Text] Vientiane, July 5 (KPL)—Phoumi Vongvichit, president of the Lao Front for National Construction Central Committee [LFNC CC], has sent on June 30 a message of condolences to Nguyen Huu Tho, president of the Presidium of the Vietnam Fatherland Front Central Committee, in connection with the death of Phan Anh, vice president of the Vietnam Fatherland Front Central Committee.

On behalf of the Lao Front for National Construction Central Committee, the Lao people of ethnic groups and on his own, the president of the LFNC CC has sent the condolences to the Vietnam Fatherland Front Central Committee and the bereft family.

Phoumi Vongvichit Attends Singing Contest 11 Jun

BK3006130690 Vientiane Domestic Service in Lao 1200 GMT 18 Jun 90

[Excerpt] The singing contest of kindergarten pupils in Vientiane Municipality was closed at the Vientiane Theater on the evening of 11 June. Attending the closing ceremony of the contest, held for the third year, were Phoumi Vongvichit, member of the party Central Committee Political Bureau and member of the Laos' International Year of the Child Committee; Saman Vingaket, member of the party Central Committee Political Bureau and minister of education and sports; deputy ministers; foreign diplomats to Laos; the UNICEF representative to Laos; and residents of Vientiane Capital. [passage omitted]

Philippines

Ramos Dismisses 'Possible CIA-Backed Coup'

HK0407094490 Quezon City DWDD Defense Department Radio in Tagalog 0650 GMT 4 Jul 90

[Weekly news conference by Philippines Defense Secretary Fidel Ramos at the Social Hall of the Department of National Defense in Camp Aguinaldo; moderated by Rod Jaleco of THE PHILIPPINE STAR—live in English, italicized portions in Tagalog]

[Excerpts] [Passage omitted] [Jaleco] Would you like to give an opening statement, sir.

[Ramos] Well, good afternoon to everybody. First of all, let me just give our department reaction to the heinous Bernabe-Castanios killing which has occupied the news for several days now, weeks in fact. [passage omitted]

Secondly, again I would like to correct the record pertaining to various headlines and front page stories that have come out. I do not think there are any in this audience right now who are responsible for this, but I would like to show you some of the examples. *Please bear with me.*

For instance, this one: "Ramos Fears Coup". But what does another newspaper say about the same thing: "No Danger of Coup", by Ramos again; or "CIA-backed Coup Not Possible", Ramos again. That is in regard to some questions asked me at DZXL yesterday.

Now, related to this was in connection with the acquittal of Mrs. Imelda Marcos and this is one story that came out. Now what is on the record? *This is clear.* I will provide you copies of this.

The first question was in regard to the query of Attorney Salpanelo of DZXL. This was in regard to the Imelda Marcos acquittal. [passage omitted]

The other query pertaining to the coup, because the two items were related to each other, came from a query from Cagayan de Oro, Radio Mindanao, from Ric Ballar, an announcer. So, this is my answer, and this is the substantive portion. *Many thanks, Richard. I am greeting all the people in Cagayan de Oro.* There is no need to worry about a coup d'etat in the future, especially a CIA-backed coup d'etat. *I think that will not happen here. We in the Department of National Defense and the Armed Forces of the Philippines will never allow this to happen. However, we are questioning the U.S. Embassy's decision to pull out its Peace Corps because* there are some mystifying circumstances *which up to now haven't been explained.*

Complicating that is the reported kidnapping of Mr Tim Swanson, a Peace Corps volunteer working in Silay, Negros Occidental, after it was declared by the U.S. Embassy that all the Peace Corps volunteers had been pulled out and sent to Hawaii to await for further instructions. That is the mystery. But as far as a possible CIA-backed coup d'etat is concerned, *that does not exist. So, all of you there in Cagayan de Oro, just keep yourselves relaxed.* Do not think of coup d'etat all the time in Cagayan de Oro *because what is important to you right now is your regional industrial development.* I would like to suggest you focus on that. Okay? I hope that this clarification will enrich your store of knowledge, your background information about these matters. Thank you.

[Jaleco] The first question sir will be asked by Eloi Aquino of DZRH.

[Aquino] Sir, you said in a radio interview this morning that rebel soldiers may take advantage of the acquittal of Mrs. Marcos and the president's stand against Mr. Marcos return. Could you elaborate further on this, sir.

[Ramos] Again this is by way of informing the public of possibilities. We are not saying that they will do it. It is our job to inform the public, but without unduly alarming them of what could happen if certain events take place, including the return at this time of Mrs. Marcos. So, that's all there is to it.

[Aquino] Sir, you also agreed that the return of the Marcos family is a threat to national security. Could you please elaborate, sir.

[Ramos] Now again, what I said is really in consonance with what was issued by the president's office yesterday. The statement was that the return at this time of Mrs. Marcos could mobilize or reactivate the underground network that has been attempting to topple this government. In other words, it is not see by yourself [as heard], but all the other antigovernment forces intent on toppling this government and grabbing state power that could gain encouragement from her return at this time. I am not saying that she should not return at all, and I am not saying that she herself is the threat. *No.* Its just that military rebels, the CPP-NPA [Communist Party of the Philippines-New People's Army], the separatists, and other armed groups would take advantage of any new instability in the country. We should not be adding to our problems. I think we owe it to our people that since we have already regained some economic momentum, since we have been able to restore stability since December 1989, that we must try to protect those gains. Otherwise, we will forever be in a state of uncertainty and instability and so, how can we progress economically? How can we attract foreign investors? How can we generate countryside employment? How can we proceed with the process of developing our regions, our provinces, and cities. That's the whole point. Thank you. [passage omitted]

Fund Allocation for Bases Conversion Approved

HK0507040790 Manila BUSINESS WORLD in English 5 Jul 90 p 10

[Text] President Aquino approved an appropriation of P6.5 billion [pesos] for the bases conversion project to be included in the 1991 budget proposal, Budget Secretary Guillermo Carague told Palace reporters yesterday.

This developed as Public Works and Highways Secretary Fiorello Estuar, who is head of the Special Operations tasked to coordinate all activities related to the implementation of the bases' conversion plans, said that the National Economic Development Authority (NEDA) estimates that the pull-out of the U.S. bases would have negative 1.7% on the country's gross national product.

Mr Estuar said studies are currently being pursued as to what projects Government will need to offset the impact.

Meanwhile, Health Secretary Alfredo Bengzon, vice-chairman of the bases negotiating panel, said the different line agencies of government are preparing suggestions on RP [Republic of the Philippines]-U.S. relations as regards to the forthcoming negotiations. To illustrate, Mr Bengzon said the Department of Science and Technology will have their own readings as to what position the panel could take with regard to this topic.

Meanwhile, observers noted that Philippine officials seem to be forever shooting themselves in the foot with regards to the bases issue. Mr Estuar's move was described by a senior Department of Foreign Affairs official as a "further weakening of our negotiating hand."

Two months ago, the man in charge of drawing up those plans, University of the Philippines president Dr Jose V. Abueva, admitted "we need the help of the United States in order to ensure that we succeed in these efforts."

At present, the U.S. is standing pat on the Military Bases Agreement's "unhampered military operations" and denying the Philippine Government permission to begin

infrastructure in preparation for the conversion of some base facilities to commercial purposes.

Police Deployed at U.S. Embassy for Rally

HK0407053390 Quezon City Radyo ng Bayan in Tagalog 0500 GMT 4 Jul 90

[Text] The Western Police District has today deployed some of its men in front of the U.S. Embassy at Roxas Boulevard. The move came following a plan by militant groups to launch a rally to coincide with Republic of the Philippines-U.S. friendship day.

Colonel Ricardo Reyes, Western Police District operations chief, said that the deployed policemen were in civilian clothes and will also provide security for high-rise buildings near the embassy.

Further on Peace Corps Pullout, Kidnapping

Ileto Understands Pullout

HK0507025390 Manila Far East Broadcasting Company in Tagalog 0000 GMT 5 Jul 90

[Text] National Security Council Adviser Rafael Ileto understands the rationale behind the U.S. Government's pullout of its Peace Corps volunteers. Helen Saldania has the full report:

[Begin recording] [Saldania] Ileto thinks there is a real threat to the security of the Peace Corps volunteers in the country because, being U.S. nationals, they have received threats from communist rebels. According to him, the government only questions the way the volunteers were recalled. He said the U.S. should have carried it out slowly to avoid getting a lot of foreign attention.

[Ileto in English] So there might be some truth to that. The only thing is whether, you know, it's the way it's done. Maybe they could have phased the group out slowly, just like we will phase out the bases slowly, without attracting so much attention. I think if they had done that as a maneuver, it would have been better. [end recording]

Sketch of Suspect Released

HK0507052190 Baguio Mountain Province Broadcasting Company in English 0230 GMT 5 Jul 90

[Excerpt] Authorities yesterday released a sketch of the leader of the NPA [New People's Army] which allegedly kidnapped a U.S. Peace Corps volunteer in Negros. The identity of the NPA leader has not yet been established, however. Three farmers were also picked up for questioning in connection with the disappearance of Timothy Swanson. [passage omitted]

Editorial Terms Pullout 'Wise'

HK0507040190 Manila MANILA BULLETIN in English 5 Jul 90 p 6

[Editorial: Peace Corps Pullout a Safety Measure]

[Text] The withdrawal of the Peace Corps volunteers from the Philippines has been the subject of much speculation. Some sectors have linked the decision to the bases negotiations.

The truth is that it was a wise decision on the part of the American government. For the fact is that these young idealistic volunteers were working in isolated areas and the kidnaping of one could start a precedent. Their withdrawal was, therefore, a sensible measure. If one volunteer were killed, there would have been unpleasant international repercussions. It is bad enough that up to now, authorities have not been able to negotiate the release of Timothy C. Swanson, who was allegedly kidnaped by the New People's Army in Silay, Negros Occidental.

Foreigners are usually safe in the cities. But in isolated areas, a security problem does exist. Peace Corps volunteers are not private citizens or tourists. They represent their country. And we have elements that would do anything to embarrass the present administration. You don't have to think far to see that if that is their intent, one of the most effective ways would be to harm a Peace Corps volunteer.

These are not normal times. While there is no general anti-American feeling, there are radical groups that blame all the evils in this country on the Americans. And they are active in the countryside.

The American government is not responsible for tourists who travel abroad but is for the safety of Peace Crops volunteers. They should not allow these well-meaning young men to say in areas where social unrest exists.

The order to go home suggests that the safety of these young men was the overriding consideration.

Suspected 'Carlos Group' Members Arrested

HK0407115290 Hong Kong AFP in English 1142 GMT 4 Jul 90

[Text] Cebu, Philippines, July 4 (AFP)—Two Frenchmen, suspect members of the international terrorist "Carlos group," were arrested in this central city last week, a local newspaper reported here Wednesday.

NEWSTIME newspaper quoted Immigration Commissioner Andrea Domingo and her aide Tomas Natividad as saying that the two Frenchmen, Michele Lutos and Christian Altbaum, were arrested by an immigration intelligence unit.

Mrs. Domingo was also quoted as saying that operations were underway to capture two more "Carlos" associates.

Mrs. Domingo, who is visiting Cebu, and immigration spokesmen in Manila could not be contacted for comment.

Cebu police have so far maintained silence on the arrests and NEWSTIME did not say what day the two were arrested nor why the announcement of the arrests had been delayed.

Further on Reactions to Imelda Marcos' Acquittal

Solon Suspects 'Bad Handling'

HK0307043790 Quezon City Radyo ng Bayan in Tagalog 0300 GMT 3 Jul 90

[Text] Congressman Raul Roco said the acquittal of Mrs. Marcos could be the result of bad handling of the case or it has been neglected. According to Roco, because of the U.S. court decision, the people's 1986 sacrifice at Epifanio de los Santos Avenue [EDSA] has been disregarded:

[Begin Roco recording] This is really sad for the Republic and for the government, because I have said from the beginning that we could not leave our problems for other countries to solve. What has become of the people's sacrifice at EDSA? I think all of the people's sacrifices at EDSA have turned out useless. This is sad. My analysis was that because there were four final charges, maybe there was acquittal on some of the charges and maybe there was a guilty verdict on the others. But if the report was that she was acquitted of all the charges, then I think the case was badly handled. One cannot understand whether there was sympathy in the handling of the case or if it was merely neglected. [end recording]

Paper Reports Reactions

HK0407034190 Manila THE MANILA CHRONICLE in English 4 Jul 90 pp 1, 6

[Text] The Acquittal of Imelda Marcos in New York has brought into the open once again the more basic political alignments that have separated this nation between those who supported the strongman government of the late Ferdinand Marcos and the succeeding government of Corazon Aquino.

This was yesterday apparent in the reactions, ranging from outrage to celebration, from a wide sector, from radio-station callers to political leaders.

A few callers were convinced the jurors had been bought, like Anselmo Hugo who told DZMM: "I believe the jurors were bribed. Among Filipinos...does your common sense tell you that Imelda did not know she was spending dirty money."

Mrs. Marcos had been acquitted Monday in New York (Tuesday here) of fraud and racketeering in acquiring properties there. The forejuror [as published] was quoted as saying Mrs. Marcos could not have been guilty "just because she was married to him"—meaning, Ferdinand.

calling DZRH, Rafael Recto, a Marcos family lawyer, said he thought the acquittal, which came the day after Mrs. Marcos' 61st birthday, "a nice birthday present from God himself." He added, "We believe that she will not be convicted here, in America or elsewhere."

Another caller, Lee Milagros, said she was disappointed with the verdict but hoped it would not further polarize the nation. "I hope that we can forget everything and work for the improvement of the country... I pray that there will be no more strife in the country and that everyone will be united."

A CHRONICLE caller, upon being told that indeed Mrs. Marcos had been acquitted, let out a long shriek of joy, then thanked heavens.

In a press statement, the country's biggest labor group, the Trade Union Congress of the Philippines, expressed "disbelief" at the verdict and feared that it "constitutes a formidable obstacle to the Filipino people's efforts to recover the wealth plundered by the dictatorship."

"This, however," it added, "should only strengthen our resolve to see to it that the ends of justice are served and that those responsible for the plunder of our nation are eventually punished."

The nationalist Bagong Alyansang Makabayan (Bayan) [New Nationalist Alliance] saw the acquittal as "somehow...part of the pressure" for the retention of the American bases here, "just like the sudden pullout of the Peace Corps." It called the acquittal "horrible," but conceded that evidence was weak against Mrs. Marcos.

In the Kilusang Bagong Lipunan (KBL) [New Society Movement], the monopolistic party in Ferdinand Marcos' time, the acquittal inspired a new political plan that centered on fielding his widow in the presidential race in 1992.

But first, it must, as indeed it has, demanded that she and her family be allowed to return.

Rolando Abadilla, a former Marcos lieutenant and now the vice-governor of his home province, announced a "people's march" soon to press its demand. A similar march was held from the province's capital, Batac, to Manila last year to demand that the government allow the remains of Marcos to be flown home. It didn't work. Now Abadilla has written the President this time on behalf of Mrs. Marcos and her family, saying it was a test of the government's sincerity in calling for national reconciliation.

Another Marcos loyalist, Oliver Lozano, told the CHRONICLE "the acquittal of Mrs. Marcos has spawned world sympathy and spread more support for her candidacy for president in 1992." Lozano said the KBL and other Marcos groups "are very jubilant" over the acquittal, which he called "a result of divine justice."

He said Marcos supporters would have Thanksgiving Masses and hold meetings to plan their next moves. He spoke of "mass actions" and of going to the Supreme Court again to petition for the return of the Marcoses. A similar petition had been defeated.

J.V. Cruz, a former Marcos ambassador, said he was "exceedingly overjoyed" by the acquittal. "There is no question (it) is froth with political significance and implications. I believe she will continue to be a formidable political force to reckon with."

In the Senate, the sentiment was for Mrs Marcos' return for trial.

"Unless there is compelling evidence that she would be a security risk, I would favor the return of Mrs Marcos," said Senate President Jovito Salonga, former chairman of the Presidential Commission on Good Government (PCGG), the body chasing after the wealth allegedly taken by the Marcoses from the treasury.

Senators Ernesto Maceda, Teofisto Guingona, Orlando Mercado, John Osmena and Minority Leader Juan Ponce Enrile shared his view. They all doubted Mrs Marcos was a threat to the government's stability. The government has forbidden her return, saying she and her loyalists were involved in attempts to topple it.

Senator Rene Saguisag took a different view. "Subject to continuing review," he said in a press statement, underscoring the phrase, "I support at this time the executive ban on the return of Madame Marcos."

He expressed "disappointment, but not ... surprise" at her acquittal. "The decision," he said, "hampers our drive for good government. This is one unfortunate effect. We must rise to the challenge."

For Senator Alvarez, the acquittal was "disconcerting." He said, "All of us who fought the conjugal dictatorship and its manifold abuses cannot but feel a sense of moral outrage."

In Malacanang, the President presided over a Cabinet group to weigh the political and security implications of the acquittal.

In a statement read by her press secretary, Tomas Gomez III, the President said "the return of Mrs Marcos would enable her to mobilize the underground network of the Marcos dictatorship, which is designed to overthrow this government and endanger our democratic gains and economic momentum." Just like the death of Marcos his widow's acquittal "does not change the factual scenario under which the Supreme Court's decision barring the return of the Marcoses was rendered," she said.

The military did not discount that enemies of the government would take advantage of the situation, but Defense Secretary Fidel Ramos said the country was "ready to cope with any disturbances." These, in any case, could not be worse than any crises surmounted in the past, he added. In his view, "The worst is over."

Reportage on Issue of Marcos' Banned Return

Ramos Reiterates Support for Ban

HK0407054790 Quezon City Radyo ng Bayan in Tagalog 0300 GMT 4 Jul 90

[Italicized portions in English]

[Text] Defense Secretary Fidel Ramos today reiterated his support for the government's decision regarding Mrs. Imelda Marcos' return to the Philippines. In a radio interview, Ramos said President Aquino's decision to ban the former first lady's return is to provide protection to the majority of citizens and to defend their rights. According to him, there are *underground* and *above-ground* elements who could use the recent developments in order to carry out her hidden agenda.

[Begin Ramos recording] ...the so-called *network of followers*, the *underground* and *above-ground*, and that she will use her influence and newly restored status *as a means to carry out her own hidden agenda*, we are studying this carefully. [end recording]

Senators Favor Marcos' Return

HK0301051980 Quezon City Radyo ng Bayan in Tagalog 0500 GMT 3 Jul 90

[Text] A number of senators headed by Senate President Jovito Salonga are in favor of a proposal to allow former First Lady Imelda Romualdez Marcos to return to the Philippines to face other charges in the country. The senators' statement came following Mrs. Marcos' acquittal from racketeering charges in New York. Jojo Ismael has the details:

[Begin recording] In separate interviews by the Philippine Broadcast News Service with well-known Liberal Party members, including Senate President Jovito Salonga, Senators Ernesto Maceda, Teofisto Guingona, Rene Saguisag, they issued a unified stand supporting the return of Mrs. Marcos after she was acquitted of the racketeering charges filed in a New York federal district court.

Salonga said it is about time Mrs. Marcos faces responsibility to the country and the citizenry. He personally believes that Mrs. Marcos should be allowed to return, except if there are strong indications that her return could endanger the country's security.

Legislators Can Hear Reasons

HK0507053190 Baguio Mountain Province Broadcasting Company in English 0230 GMT 5 Jul 90

[Text] Malacanang is willing to reveal to legislators the security reasons behind the continued ban on Imelda Marcos' return to the country. Presidential Spokesman Adolf Azcuna said the reasons can be disclosed in a closed-door session. Azcuna said these reasons were

discussed by AFP [Armed Forces of the Philippines] chief Renato de Villa in a meeting on Tuesday of the cabinet cluster on security.

[Azcuna recording indistinct]

Azcuna also said that the U.S. prosecuting team is now readying a civil suit against Imelda. These issues are independent or separate of what was litigated in the U.S. New York case.

PDP-Laban First To Allow Membership in Kabisig

HK0507034390 Manila THE MANILA CHRONICLE in English 5 Jul 90 pp 1, 6

[By staff members Patrick Paez and Lito Zulueta]

[Text] The PDP-Laban [Pilipino Democratic Party-Nation's Strength], the party that has consistently supported President Aquino, said it would allow its members to to join her Kabisig [Partnership] political movement.

This made it the first and only party to heed the President's invitation to join Kabisig.

Senator Aquilino Pimentel Jr., PDP-Laban president, yesterday issued a directive allowing any party member to join Kabisig at a regional, provincial or local level, telling those who joined to "do everything to isolate Kabisig from any specific partisan activity, including our own."

He said Kabisig as described by the President espoused the same decentralization and economic empowerment of the people which PDP-Laban favored.

Pimentel said his party would readily set aside partisan politics in serving the people.

He did not say whether he himself would join Kabisig.

The dominant party in the ruling coalition, the Laban ng Demokratikong Pilipino (LDP) [Struggle of Philippine Democrats] hedged on whether or not it would join Kabisig. After meeting with President Aquino yesterday, LDP leaders said that at the least, their party might allow its members to join on an individual basis. Senator Neptali Gonzales, LDP president, said the party executive committee would probably meet this week to thresh out the issue. He said he would recommend that LDP members join, because the party had consistently supported Kabisig's objectives. Also, he added, the President had assured that elective officials would not be left out in the implementation of Kabisig projects.

LDP Secretary-General Rep. Jose Cojuangco Jr. (Tarlac) said the meeting with the President was "good" and "very friendly," with "less antagonism" between the LDP and Kabisig.

Earlier the LDP had attacked Kabisig, saying a "shadowy group" of "unelected and unelectable officials" wanted to use the movement for their own interests.

For his part, Senator Pimentel urged PDP-Laban members to make sure that Kabisig leaders in their areas were both "moral and ethical," asking them to guard against "hidden agendas of self-serving people who will misdirect the movement."

PDP-Laban started as an anti-Marcos coalition formed by Pimentel and the late senator Benigno Aquino Jr. Pimentel was among the first party leaders to endorse the 1986 candidacy of Mrs Aquino.

Cabinet Approves P247-Billion Budget Proposal

HK0507034990 Manila THE MANILA CHRONICLE in English 5 Jul 90 pp 1, 6

[By staff members Marites Paez and Lito Zulueta]

[Text] The Administration will propose a fiscal budget of P247.4 billion [pesos] for 1991, 17.9% higher than the P209.8 billion for this year but allocated according to the same priorities.

The biggest share, which at P76.6 billion is 31% of the budget, goes to payments of the country's foreign and domestic debts. This does not yet cover the P43.1-billion liabilities of certain government corporations and liabilities incurred under debt-reduction schemes.

Finance Secretary Jesus Estanislao said two-thirds of the share will go to servicing the domestic debt, now P41.8 billion, and one-third to servicing the foreign debt, $27.6 billion. Education and defense are the next priorities, taking P32.9 billion and P28 billion, respectively.

The Cabinet approved the budget proposal yesterday.

Budget Secretary Guillermo Carague said the budget, to be submitted to Congress for approval when it resumes its regular session on July 23, is "consistent with the government goal of progressively reducing the public-sector deficit." The national government deficit of P1.4 billion for 1991 is 0.1% of the projected GNP for the year. The public-sector deficit of P26 billion, on the other hand, is 2.5%.

Estanislao said that, unlike in the past, the expected deficit would be financed not from domestic borrowings, but from foreign ones from such donors as the Official Development Assistance (ODA) and multilateral institutions. The government expects P28 billion in these foreign loans and assistance, coming largely from donor countries joining the multilateral Philippine Aid Plan (PAP). Both Japan and the United States, for instance, have promised "not to scale down" but in fact increase their aid commitments for next year, said Estanislao, who happens to be the chairman of the Coordinating Council for the plan.

The budget deficit also should be reduced once new tax measures are approved by Congress. And if this does not happen soon enough, Estanislao said, the economic departments are expected to "re-program" expenditures, which is taken to mean cutting or deferring them.

In the 1991 budget, P56.6 million (23%) is allotted for economic services, P60.9 million (24.6%) for social services; P27.1 million (10.9%) for general public services; and P28 billion (10.5%) for defense. The rest goes to debt payments.

The highest increase (14.2% over this year's allotment) goes to debt payments. The next biggest increase (9.2%) is for economic services.

The budget for social services has been increased by 7.6%, for general public services by 4.4% and for defense budget by 4.2%.

The Cabinet has also approved a P1-billion component in the defense budget for upgrading one of the region's worst-equipped naval forces. This is on top of the regular budget for the Navy of P3.5 billion, up from P3 billion this year. Still, the amount is way below cost estimate of P39 billion for the two-step, 10-year modernization program of Rear Admiral Mariano Dumancas, navy flag officer. Mrs Aquino had called for naval modernization.

Suspect Reportedly Admits Membership in ABB

HK0307024990 Manila MANILA BULLETIN in English 3 Jul 90 pp 1, 16

[Text] The PC [Philippine Constabulary] Capital Regional Command (Capcom) disclosed yesterday that one of the 21 New People's Army (NPA) suspects arrested during a funeral procession last Thursday admitted that he is an officer of the Alex Boncayao Brigade (ABB).

Lt. Col. [Lieutenant] George Alino, Capcom North Sector Command (NSC) chief, made the disclosure as he charged that three human rights groups are apparently infiltrated by communist elements.

Alino said one of the suspected NPA urban terrorists arrested by his men during a funeral procession confessed involvement in a series of assassinations of police and military men in Metro Manila. Alino withheld the name of the suspect who, he said, was among the five men picked out from the 21 NPA suspects rounded up in Caloocan City. All 21 have been charged with inciting to sedition.

He added that five men were singled out for further investigation after military probers found evidence to link them to the ABB, the urban terrorist group of the NPA.

The 21 were nabbed by Capcom operatives during the funderal procession for Benjamin Tabuena, an alleged ABB member who was killed in a shootout with policemen following the assassination of Narcom [Narcotics Command] agent Oscar Cancio in Quezon City.

Two men were killed during the violence which marred Tabuena's funeral. They were identified as Jose DeCoquia and Gilberto Lopez.

Meanwhile, Alino claimed that three human rights organizations are apparently infiltrated by communists. He identified the groups as the Task Force Detainees, the Philippine Alliance for Human Rights Advocates, and the Ecumenical Movement for Justice and Peace.

Alino said these groups are quick to condemn killings of suspected NPA members but are silent when lawmen are killed by communist guerillas. He said not one among the three human rights groups assailed the killing of Col. Reynaldo Dino, his daughter, and two bodyguards, and a civilian when they were ambushed by suspected NPA assassins in Caloocan City.

Thailand

Official on Trade Cooperation With United States

BK0307150590 Bangkok Domestic Service in English 0000 GMT 3 Jul 90

["Exclusive interview" with Prime Minister's Office Minister Kon Thappharangsi by Radio Thailand correspondent in New York during Prime Minister Chatchai Chunhawan's recent visit to the United States on Thai-U.S. efforts on narcotics suppression and trade cooperation; date not given—recorded]

[Text] [Kon] During this visit, I had an opportunity to meet with three leading members of the U.S. Cabinet—Mr. William Bennett, Mr. Robert Mosbacher, and Mrs. Carla Hills. In my line of responsibility, I would like to say that with Mr. Bennett, who is known as the narcotics czar or drug czar of the United States Government, we had a very good meeting. First of all, because it was our first acquaintance; I and Mr. Bennett had never met each other before. So we went straight to the business.

First of all, Mr. Bennett confirmed to me that it was within the serious intention of the U.S. Government in trying to tackle the demand side of the drug problem in this country, and it has been positively shown that the drug problem in one sector has decreased in the past year in the United States, which is a clear indication of a successful program of the administration. And now they're going to move to another side of the operation, that is, trying to penetrate deeper into the original problem of the drug that comes into the United States from Asia—from Southeast Asia. Up till today, they had earlier concentrated on a program around South America. But from now on, it's going to be Southeast Asia. And I think that it's very good.

I and Mr. Bennett have agreed to work closely, giving each other information and full cooperation at all levels. And at the same time, we also agreed that a third country that is next to Thailand should also be included in the program. And I suggested to Mr. Bennett that a good understanding between the United States and Myanmar [Burma] should be established, because I always believe that legitimate government in Rangoon should be brought into the picture to enable all of us—three of

us—to sit down and lay down a joint strategy together, before we launch any operation. Let's be realistic, that we can never expect any attempt from our side or American side to be successful without full cooperation from the Rangoon government. And this was also understood and accepted. And I believe that it is within the determination of American society, because Americans have the executive branch, and they also have a very powerful legislative branch to discuss this problem.

With Mr. Mosbacher, I believe, which was very fruitful and very productive. [sentence as heard] I met Mr. Mosbacher three times in the last two days in Washington, which is very exceptional because he is quite a busy man. Mr. Mosbacher and I agreed that the umbrella committee—now that it has been established officially and agreed upon by Mr. Bush—will be put into action as soon as possible. And Minister Subin, who is the leader of the committee from the Thai side, will also bring to this joint body any concerns or problem that erupt on either side. Should American companies find problems or even the Thai companies run into any obstacles, they are able to bring their concerns to this joint committee. This is the first time. We have never had any kind of this cooperation at high level before. And so this is a very good beginning of another era.

The second point was also discussed and fully concluded upon by both sides—myself and Mr. Mosbacher; that is, as far as investment is concerned, we will have to bring into the picture the role of the private sector more than before. That has always been the prime policy of the Thai Government all along. I only want to encourage the American Government to do so. And it is very encouraging that Mr. Mosbacher is going to Thailand in August. And with him he will take along ten of the most prominent companies, who are now searching for investment opportunities in Thailand. And I think that is a very good indication of the U.S. Government policy in trying to bring in the role of the private sector into the investment scenario, just like what I have been doing in Thailand. As you know, I have been working quite closely with American Chamber of Commerce established in Bangkok. With their cooperation, we have been able to create a very good and better understanding with both the people on the Capitol Hill and people in the administration of the United States.

And I would like to say that with Mrs. Carla Hills, the third cabinet member of the U.S. Government, I had a meeting with and also lunch with during the White House luncheon on the 14th [of June]. I told Mrs. Carla Hills that, to my understanding, there are a lot of American companies [changes thought] when they run into marketing problems in Asia or in Thailand, they would simply bring their problems forward and submit a petition to her office. Legally speaking, her office is under obligation to act, to perform, to do something about it. And I asked her that if—whenever in the future—any of these companies come to her office with their problems concerning Thailand's market, please do not hesitate to send them to my office in Bangkok. I will be very happy to go over that very same problem with American companies having marketing problem in Thailand. I would like to discuss with them to find out and to see what is really the original cause of that problem.

I never believe that, in the past, I never believe in the concept to solve commercial problems through legal or legislative means. I never believe that would be very fruitful. If we wish to solve commercial problems, we will have to use commercial solutions. We should not bring in any legal or legislative solution and hope that the commercial problem will go away. It has never been that way, and it will never be. So we will have to bring in this commercial solution—trying to find out the real original cause of the problem and go up to that problem. And so Mrs. Carla Hills was very happy to see that I was willing to help her. And, in another word, it is for our mutual benefit—Thai companies, Thai market, U.S. companies, U.S. market. It's for our mutual benefit.

And so these are more or less the people and the subjects and the points of discussion which I had during my two-day stay in Washington, D.C.

[Correspondent] Your Excellency, that means that there are quite a lot of American firms complaining to the American Government during the past two or three years. Do you think if you can help them solve this problem it can be possible to reduce protectionism here in the U.S. society?

[Kon] Well, as I said earlier, the governments do not do trading; the governments do not invest. So if the investors, the traders [changes thought] they run into problems, let's face it. It's a free market world, you know. It's a world full of competition. Now if that X company has come up with a problem, then to look for a solution through a governmental action is not realistic. So this is what I was telling, and trying to get the message across that I would be willing to help, to solve that problem from our side; and trying to look at the problem one-sidedly will never get rid of that problem. Now, what I was asking for is if the problem concerns our area or even in Thailand, for the company who has never been to that part of the world, how can it solve the problem? [sentence as heard] Why simply come to Washington and hope that it will go away? I only asked for a complete determination or complete consideration of the case. Do not look at the problem one-sidedly. That is more or less the message.

U.S. Group Wants Release of Burmese Students

BK0507023590 Bangkok BANGKOK POST in English 5 Jul 90 p 6

[Text] An American refugee advocacy group protested the detention of 29 Burmese students who have gone on a hunger strike while being held in Suan Phlu immigration jail.

In a statement received by the BANGKOK POST yesterday, the United States Committee for Refugees called

on the Government to release the students and provide them temporary asylum until the Burmese Army hands over power to the newly-elected civilian government. The students said in a separate statement they are willing to be repatriated immediately.

The students, who have been held at the immigration jail for more than four months, said they have served their sentences for illegal immigration and are now being unjustly detained. They asked for repatriation at the Ratchaburi border crossing and demanded that immigration police stop arresting students who have been identified as "persons of concern", by the United Nations High Commissioner for Refugees (UNHCR). Immigration officials said on Tuesday [3 July] they will consider the demands.

The Washington-based committee also called on the UNHCR to resume issuing letters that identify certain students as being likely to face political persecution in Burma. "UNHCR discontinued the practice in late 1989 under pressure from the Thai Government," the committee said. They called on the kingdom to allow the UNHCR to provide aid and protection for 40,000 asylum-seekers in Thailand "until the Burmese are able to return safely and voluntarily to a civilian government." The students criticised the UNHCR, saying they had not been "treated and helped properly and effectively" by the agency.

Narudon on Repatriation of Burmese Immigrants

BK2906021190 Bangkok BANGKOK POST in English 29 Jun 90 p 2

[Text] Armed forces spokesman Lieutenant-General Narudon Detpradiyut yesterday defended the sending back of illegal Burmese immigrants after the British Broadcasting Corporation reportedly called the repatriations "brutal". About 1,000 Burmese were sent back to Burma from Mae Sot, Tak Province, earlier this month.

Lt-Gen Narudon said there were three types of Burmese in the country: those who entered the country before March 9, 1976, those who entered after that date and Burmese students. He said the first type are considered refugees but those who entered after March 9, 1976, are considered illegal immigrants.

The spokesman said the Burmese sent back earlier this month were illegal immigrants, but they were not forced to return.

Another 1,000 Burmese are being detained and questioned, he said, and 59 students had been detained because they were considered to be illegal immigrants. Forty of the 59 students had paid fines for entering the country illegally, of which 33 had willingly been sent back through Ranong Province, Lt-Gen Narudon said. The rest are still in Thailand, he said.

Thai officials often follow the Burmese who are sent back to make sure they are safe, he said.

He said that those who made the allegations had never been to Thailand, or they would have known that Thailand is a religious and compassionate country.

Chawalit To Inform Chatchai of Khmer Proposal

BK0407025490 Bangkok THE NATION in English 4 Jul 90 p 3

[Text] Ex-Army chief Gen [General] Chawalit Yongchaiyut will meet Prime Minister Chatchai Chunhawan this morning when he is expected to inform the premier of the proposal by the Cambodian resistance for Bangkok to host peace talks. Chawalit met Khmer Rouge leader Khieu Samphan yesterday morning after Son Sann, president of the resistance Khmer People's National Liberation Front (KPNLF), called on him last week to help organize a meeting of the four rival Cambodian factions to clear the way for their meeting with the UN Security Council five permanent members in Paris this month.

Informed sources close to the premier said that the government prefers to sound out reactions from Indonesia, the United States and Japan before deciding whether to host the meeting. The premier will raise the matter with Indonesia's President Suharto during the latter's upcoming trip here. "I personally think that there is no need for a Bangkok meeting now until after the Paris meeting which the Cambodian leaders should attend," said one source who asked not to be named.

Khieu expressed confidence yesterday that his faction's advances in the battlefield would eventually force the government in Phnom Penh to return to the negotiating table, sources said. Khieu, the figurehead leader for the communist faction, and Khmer Rouge Defence Minister Son Sen made the assessment while meeting with former deputy prime minister Chawalit at the latter's residence yesterday. Khieu claimed that Khmer Rouge forces were continually seizing territory from Phnom Penh government troops and receiving increasing support from people inside Cambodia.

Chawalit and Khieu discussed the possibility of holding peace talks in Bangkok among the Cambodian factions—the Khmer Rouge, the faction loyal to Prince Norodom Sihanouk, the Khmer People's National Liberation Front of former premier Son Sann and the Phnom Penh government led by Prime Minister Hun Sen. Khieu said the key to the talks was now in Hun Sen's hands, the sources said.

Last week, Son Sann called on Chawalit and urged the retired military leader to arrange talks in Bangkok between the factions to prepare the groundwork for a meeting of the permanent members of the UN Security Council to be attended by the Cambodian leaders later this month. Supreme Commander Sunthon Khongsomphong also took part in yesterday's talks.

According to the sources, Khieu asked for Chawalit's support for the Khmer Rouge's latest proposal, put forth

on Sunday [1 July], which calls for disarmament by the factions and equal representation for all four groups on a "supreme national council." In peace talks in Tokyo last month, Hun Sen agreed and Sihanouk agreed that representation on the supreme council be shared equally between the government in Phnom Penh and the tripartite resistance coalition. The Khmer Rouge boycotted the meeting and insisted that it would not abide by the Tokyo accord.

Khieu told Chawalit yesterday he wanted the supreme national council to be furnished with administrative functions, not just a symbol representing national sovereignty during a period of UN administration in Cambodia.

Though Khieu declined to give reporters details of his talks with Chawalit after the meeting, Defence Minister Son Sen discussed Khmer Rouge military activitiy within Cambodia.

Logging Firms Said Dealing With Khmer Rouge

BK3006014390 Bangkok BANGKOK POST in English 30 Jun 90 p 1

[Excerpt] Six Thai timber companies, one of them partly owned by a Cabinet minister, are vying for contracts from the Khmer Rouge to carry out massive logging in one of Cambodia's richest rain forests, according to a highly-placed Khmer resistance source. The source said the Khmer Rouge needed money to sustain its war effort against the Phnom Penh regime.

A tract of about 280 square kilometres of forest in Cambodia's southwestern province of Pailin, opposite Chanthaburi and Trat provinces, is to be opened to the Thai firms once approval is granted by the Commerce Ministry and the National Security Council. The financially-strapped Khmer Rouge guerrillas have already allowed Thai people to prospect for gems in Pailin and charged them entry fees and royalties. Some of the timber companies have already provided motorcycles and equipment to the Khmer Rouge to buy their favour, the source said.

The Thai companies were willing to offer the Khmer Rouge high royalties in exchange for the logging concessions because the Pailin area boasts one of the richest rain forests in Cambodia. Two of the six Thai timber firms were said to be the GSP [expansion unknown] Company and the Ruam Pattana Thai company. Since fighting is still raging in the Pailin area between the resistance and the Phnom Penh forces, the Thai military was unlikely to grant permission for logging for the time being, said the source.

The latest move by Thai firms—many with political connections—to exploit Cambodia's rain forest at a time when the country is still at war is likely to provoke strong protests from international conservation organisations as has been the case over logging in Burma. [passage omitted]

Saudis Order Probe of Pilgrimage Organizers

BK0107090190 Bangkok THE NATION in English 1 Jul 90 p 2

[Text] Jeddah—The Saudi Arabian government has ordered its authorities to investigate whether organizers arranging the pilgrimage of Thai Muslims to Mecca had scalped their customers, an MP [member of parliament] said yesterday. Nakhon Si Thammarat MP Surin Phitsuwan said the investigation was ordered at a request of a Thai Haj delegation during its meeting with the Saudi Minister of the Haj and Religious Properties 'Abd-al-wahhab Ahmad 'Abd al-Wasi in Jeddah on Wednesday [27 June].

Surin said the Thai delegation, which was making its first official visit to Saudi Arabia, had asked for assistance from the Saudi government to solve the problem of Haj organizers making excessive profits out of the pilgrimage by arranging unwanted services and forcing their customers to pay for them. Surin, who accompanied the delegation to Saudi Arabia, said the Saudi minister also ordered the officials to investigate an allegation that the organizers had confiscated the passports of the pilgrims on their arrival in Saudi Arabia and demanded that the customers redeem with payment the documents or they could not leave the Middle East country.

Karun Bunman, another member of delegation, quoted the Saudi minister as suggesting that Thailand send a working group next time to coordinate with Saudi officials at least two months before the annual Haj to facilitate the travel of Thai Muslims.

Pattani MP Den Tomina, meanwhile, said the Saudi minister had accepted in principle an invitation to visit Thailand extended to him by the Thai delegation.

Thai Consul to Jeddah Pridi Osotsongkhro added that the relations between Thailand and Saudi Arabia had been improving following the appointment of Likkhasit Pansomchit as the Thai ambassador to Riyadh and an official visit to Saudi Arabia by the Thai delegation. Pridi quoted Saudi Arabia's King Fahd as telling Likkhasit when the Thai envoy presented his credentials to him on June 21 that he was looking forward to seeing the close and strengthened ties between the two countries.

More than 1,000 Thai Muslims were forced to cancel their pilgrimages to Mecca because of unavailability of flights. Many of them were stranded in Bangkok for weeks hoping to catch flights to Saudi Arabia. But their hopes ended when the Saudi government's deadline for arrival in the Middle Eastern country passed on Tuesday [26 June].

Organizers reportedly charged between Bt [Baht] 30,000 and Bt50,000 in fees for the travel and accommodations from each of the pilgrims.

Chatchai Says Government Prepared for Debate

BK0307092190 Bangkok Domestic Service in Thai 0530 GMT 3 Jul 90

[Text] Before attending this morning's cabinet meeting, Prime Minister General Chatchai Chunhawan answered questions from reporters about the house speaker's scheduling of 18 to 19 July for the opposition's no-confidence debate against the government. Speaking at government house, the prime minister said there would be no problem because the government coalition parties have prepared to answer questions from the opposition. The government will explain any issue they raise. The Chat Thai Party is also ready to answer questions.

The prime minister explained that news reports indicating that he would dismiss the supreme commander were untrue and were made up by the mass media. Such news could cause misunderstanding or confusion among the people. In addition, the government or the prime minister have to correct rumors of this nature frequently. Such rumors are harmful to the country and are unreasonable. The prime minister has never interfered in the appointments, transfers, or promotions of the military and has left this issue to be decided by the military commanders. The prime minister has never touched on this matter and understands it because he was also a soldier. The prime minister believes that the military understood these news reports well, but the people might not. So, we should not do something that creates confusion in the country because it would do no good.

Asked whether details of the secretary fund could be revealed or not, the prime minister said that it could not be revealed since it is regarded as a secretary fund. However, we will inform the public of whatever information we can.

Regarding the mobile radio relay truck of the Mass Communications Organization of Thailand [MCOT], the prime minister said that the truck was conducting a trial operation and was returned back to the MCOT. Agencies concerned should be contacted prior to any such trial operation in the future.

Cabinet Aims To Halt Classified Leaks to Press

BK0407050290 Bangkok BANGKOK POST in English 4 Jul 90 p 1

[Text] Newspapers which publish classified information leaked from Cabinet meetings, causing damage to government agencies, will face legal action under measures adopted by the Cabinet yesterday. The measures, proposed by the Cabinet Secretariat, were aimed at stopping the leaking to the Press of classified information discussed at Cabinet meetings.

A Cabinet source said that under the measures adopted yesterday, the National Intelligence Agency will be responsible for finding the persons leaking the information to the Press and will recommend action against them. Government agencies which felt they were damaged by the publishing of classified information then will be responsible for taking legal action against newspapers which published it.

If these measures fail to work, the Government will consider collecting all the official documents issued to Cabinet members during the weekly meeting to prevent the information from being passed on to the mass media, the source said.

Meanwhile, Deputy Government Spokesman Phonthep Techaphaibun said Prime Minister Chathai Chunhawan before the Cabinet meeting yesterday had voiced his concern about what he claimed to be rumours which had affected the country's image and the investment climate. Mr Phonthep said the Premier cited as an example a report that the Prime Minister planned to transfer Supreme Commander Gen [General] Sunthon Khongsomphong. He said that the Premier had denied the report.

The Prime Minister during the meeting urged that Cabinet ministers be more careful while giving interviews to the mass media to prevent their remarks from becoming the sources of rumours.

Ministries Decide To Arm State Enterprises

BK0107050690 Bangkok BANGKOK POST in English 1 Jul 90 p 1

[By Prasong Charatdamrong]

[Excerpt] Government agencies and state enterprises in the provinces are expected to be issued war weapons and their personnel trained to use them to protect themselves and public property. The decision to arm state enterprises was made recently by a joint committee of the Interior and Defence ministries chaired by permanent Defence secretary Gen [General] Wanchai Ruangtrakun. The committee felt that some state enterprises, particularly those upcountry, must be better able to fend off "security threats."

"We will support civil agencies so that they are able to take care of themselves and prevent sabotage," a committee source said. Agencies have problems performing their duties in remote areas, the source said. "Sometimes they are unable to get immediate help from police or soldiers when they face danger," the source said. "Equipping them with weapons will help them protect public property and boost their morale," he said.

The committee had received many requests for arms for personnel from the Telephone Organisation of Thailand, the Communications Authority of Thailand, the Express Transport Organisation of Thailand, the Offshore Mining Organisation, the Forest Industry Organisation, the State Railways of Thailand, the offices of Accelerated Rural Development and Livestock Development, the Mineral Resources Department, Post and Telegraph Department and the power agencies.

The Justice Ministry and the Bangkok Metropolitan Administration [BMA] had also sought permission to obtain weapons, the source said. The ministry wants to arm its personnel because of a series of recent murders near courts. It is not known why the BMA has sought permission to arm its personnel.

The source said it has not yet been decided which agencies will be given weapons. After receiving Cabinet approval, the Defence and Interior ministries will issue a decision as a joint ministerial regulation, the source said. [passage omitted]

Rice Exports To Be Reduced by Half in 1990

BK3006024390 Bangkok BANGKOK POST in English 30 Jun 90 p 13

[Text] For the first time, Commerce Minister Subin Pinkhayan has conceded this year's rice exports will be reduced by half to total around three million tons. But Thai farmers will not be affected more adversely as this year's rice production is expected to drop because of a cutback in plantations and insect damage.

Dr Subin's statement came as a suprise, being the first time a member of the key National Rice Policy Committee had admitted the situation after repeated assurances from other senior government officials that this year's rice exports would not be affected much. According to Dr Subin, only 1.8 million tons were expected to be shipped in the first six months this year, compared with 3.5 million tons sold during the corresponding period last year. "If the situation prevails during the remaining period, this year's overall rice exports should be in the region of three million tons," the minister said. If so, the figures would be much lower than the five-million-ton target set by the Government.

Dr Subin attributed the anticipated drop in rice exports—from last year's record of six million tons—to stiff competition from Vietnam, which dumped its low quality rice on the world market at a much cheaper price than the Thai product. This caused big problems for Thailand in selling its rice abroad because most international brokers and several foreign governments had switched to buying rice from Vietnam.

According to the Board of Trade's rice committee, among all types of rice exported by Thailand only fragrant, 100 percent, 5 percent white rice and parboiled rice rose in quantity in the first five months this year, while the rest dropped sharply.

The comparative figures between January-May exports and those for the same period of last year, among those which dropped sharply, were: 94,132 tons for 10 percent white rice (354,002 tons), 29,426 tons for 15 percent white rice (117,457 tons), 126,493 tons for 25 percent super grade (766,860 tons), 33,283 tons for special mixed grade white rice (427,714 tons), and 104,568 tons for A-1 broken rice (177,560 tons).

Dr Subin said that because of a decline in production the Government is having to prop local rice prices at a high level and speed up selling some of its 670,000 tons of rice stocks, which it bought from exporters, to foreign buyers.

Dr Subin said he still has confidence that in the second half of this year rice exports will improve, because Vietnamese agencies have been facing a problem in delivering their forward contracts sold to international brokers and foreign buyers. Several Vietnamese state enterprises could not fulfill their commitments with foreign buyers such as the Philippines and Soviet Union. It is likely these countries may return to buying rice from Thailand soon.

Quick Action To Control Rice Market Urged

BK2906122990 Bangkok THAI RAT in Thai 29 Jun 90 p 3

[Editorial: "Need to Make an All-Out Effort to Control the Market"]

[Text] There is now a very bad omen for the Thai rice trade in the world market. Our neighboring countries, especially Vietnam, have become strong rivals of Thailand, as the total export volume of Thai rice has dropped sharply by 47 percent. This has directly and seriously affected the well-being of the Thai farmers, who make up nearly 80 percent of the population of the country. Prime Minister General Chatchai Chunhawan brought up the issue for special consideration in the latest cabinet meeting in anticipation of possible difficulties for the country if no preparations are made beforehand.

It is our duty to tell all Thai people to actively support and encourage the Thai Government to make an all-out effort and find ways to control the rice trade in the world market. To achieve this goal, all Thai people will have to sacrifice benefits to enable the country to dump its rice stocks on the world market and to promote rice exports in every possible way, as the present Thai economy is better than that of any neighboring country. The Thai people must help pave the way for the country to become the center of the world rice market and to take a leading role in fixing the prices of different grades of rice in the world market in the future.

We must not try to comfort ourselves by saying the shares of the rice market we lost to Vietnam and Burma are only of the low-grade rice market. In fact, the low-grade rice is one of the major income earners for Thailand, and the quantity of the locally-produced high-grade rice is still much less than that of the low-grade category; otherwise, we would not have lost as much as 47 percent of the market for our rice exports. Currently, Thailand and Vietnam are fully engaged in extremely high competition in the world rice market.

According to the U.S. Agriculture Department's latest monthly report on the world cereal market situation, Vietnam dumped rice heavily on the world market, thus affecting the market for Thai rice. Vietnam proposed to

sell a total of 500,000 metric tons of rice to the Philippines at a much lower price than that of Thailand—about $30-40 (750-1,000 baht) per metric ton lower than Thai rice—despite the fact that Thailand had earlier proposed to the Philippines an extremely low price. Although Thailand is the rice exporting champion with a total of 6 million metric tons per annum, Vietnam can export at least 1.8 million metric tons a year. Such an amount of Vietnamese rice exports put great pressure on the Thai rice trade.

Therefore, we urge the Thai Government to speedily take two actions simultaneously without hesitation: dump the Thai reserve rice stock of nearly 700,000 metric tons on the world market either on a government-to-government basis or through private sectors, and at the same time act as a coordinator with neighboring rice producing countries to form a grouping for marketing purposes so that Thailand can fix world market rice prices. The rice prices will thus be more stable and standardized once all the countries involved in rice trade have experienced difficulties.

West Germany must spend a gigantic amount of money, hundreds of times more than us, to unite with East Germany. Now that Thailand has a great advantage in monetary status over its rivals, Thailand must make its all-out effort for the benefit of our farmers, 80 percent of the country's population, today and tomorrow.

Vietnam

U.S. Complaints on MIA Issue Called Incorrect

BK0407140990 Hanoi International Service in English 1000 GMT 4 Jul 90

[Station commentary]

[Text] The American Missing in Action, MIA, issue was again discussed at the U.S. Congress on 28 June. Several U.S. congressmen complained that they did not understand why the Vietnamese Government made no further efforts to solve the Missing In Action issue. Mr. Solomon, assistant to the U.S. secretary of state in charge of East Asia and the Pacific, said the U.S. was hopeless at Vietnam's response to the Missing In Action issue and he linked this issue with the process of normalization of the Vietnamese-American relations. Here is our radio commentary:

Over the past two years, Vietnam actively made constant efforts in solving the MIA issue. Vietnam created favorable conditions for the U.S. specialists to come to all localities of Vietnam to seek for missing Americans. Since September 1988, the Joint Vietnamese-American Specialist Teams have carried out 10 joint searches in 24 provinces of Vietnam basing on information about missing American pilots. They have investigated into more than 100 cases according to their lists and carried out six drives of joint identification. The U.S. side highly appreciated the joint operations as well as the effective assistance of local authorities and people where the teams worked. Since March 1974, Vietnam has handed over to the U.S. side 404 sets of American remains.

Vietnam has proposed that the 14th meeting of Vietnamese-American specialists would be held on 25 May to assess their joint operations and work out concrete measures for the future search for missing Americans. But the U.S. side tried to postpone this meeting. Therefore, by now, the meeting has not yet been carried out, and Mr. Solomon knew this more than anyone else. Vietnam is now waiting for the U.S. answer on the time of this meeting and if the U.S. agrees, Vietnam will actively strive to solve the Missing In Action issue in response to the aspirations of many American people.

In the past 10 years, Vietnam always showed her goodwill in solving the MIA issue and never linked this to any political purpose. Vietnam affirms that the MIA is a humanitarian issue, and it must be solved in a humanitarian spirit and sympathy with those families whose relatives were reported missing in the war. Although the U.S. still imposes an embargo against Vietnam, Vietnam has cast this aside in order to solve the Missing In Action issue. U.S. high-ranking officials have agreed with this standpoint of Vietnam and affirmed that the MIA is a humanitarian issue and has no relations with political matters.

Therefore, Mr. Solomon's linking the MIA issue with the normalization of Vietnamese-American relations is not correct and lacking of goodwill. This runs counter to the statement of U.S. officials on this issue.

Vietnam hopes that the U.S. Administration has a consistent stance in solving the MIA issue to speed up the process. However, to solve this issue, efforts should be made by both Vietnam and the U.S. If not, the U.S. will have to bear full responsibility for delaying the process of solving the MIA issue.

Foreign Ministry Official Discusses Cambodia

Criticizes U.S. Aid

BK0507152590 Hanoi VNA in English 1442 GMT 5 Jul 90

[Text] Hanoi VNA July 5—Vietnam fully respects the Cambodian people's decision on their internal affairs, said Mrs Ho The Lan, spokeswoman for the Foreign Ministry and head of its Press and Information Department, at a regular press conference held here this afternoon.

She further said that the founding of the supreme national council (SNC) and the decision of the council's function are really the internal affairs of the Cambodians.

She continued:

"We hail the Tokyo meeting's results which created important premises for the solving of the Cambodian

issue by an overall political solution, opening a possibility for stopping the civil war and settling Cambodia's internal affairs.

"Once again, Chairman Hun Sen has shown his goodwill attitude and high sense of responsibility in implementing what he had agreed upon in Tokyo. He twice sent letters to Prince Norodom Sihanouk requesting him to early complete the formation of the SNC in conformity with the spirit of the Tokyo meeting so that the first session of the council could be convened soon. We think that concerned countries should actively support this course."

Answering a question raised by an AFP correspondent on Vietnam's response to the U.S. House of Representatives' polling 250 votes for a seven million dollar aid to the non-communist factions in Cambodia, the spokeswoman said:

"Ceasefire and cessation of outside military aid to all Cambodian parties are an important component of an overall political solution to the Cambodian issue. This was agreed upon by countries concerned and supported by public opinion. Moreover, at their recent Tokyo meeting, Chairman Hun Sen and Prince Sihanouk agreed on a ceasefire and self-restraint from military activities. Parties concerned should support this agreement."

The spokeswoman criticized the U.S. House of Representatives' aforementioned decision as running counter to the current common trend, slowing down the process of peacefully solving the Cambodian issue, facilitating the continued civil war in Cambodia, and blazing the road for the Khmer Rouge to come back to power in the country.

Comments on Japan Invitation

BK0507103090 Hanoi International Service in English 1000 GMT 5 Jul 90

[Text] A spokeswoman for the Vietnamese Foreign Ministry, Mrs. Ho The Lan, once again affirmed that Vietnam fully respects the decision of the Cambodians on their internal affairs.

Speaking at a press conference in Hanoi on Thursday, 5 July, Mrs. Ho The Lan emphasized that the setting up of the national supreme council and decision on the council's functions are the internal affairs of Cambodians. Mrs. Lan said: Cambodian Chairman of the Council of Ministers Hun Sen has expressed his goodwill and responsible attitude in implementing the Tokyo agreement. Vietnam hopes that all countries concerned would support the State of Cambodia.

The spokeswoman also criticized U.S. House of Representatives' decision on U.S. $7 million in aid for the Cambodian noncommunist factions. She noted that this decision ran counter to the current common trend and only hindered the settlement of the Cambodian issue, created a civil war in the country, and facilitated the return to power in Cambodia of the Khmer Rouge.

She declared that Foreign Minister Nguyen Co Thach has accepted, in principle, an invitation to visit Japan. Vietnam and Japan will arrange the time for the visit later.

Officials Reportedly To Interview Refugees

BK0507114590 Hong Kong AFP in English 1134 GMT 5 Jul 90

[Text] Hanoi, July 5 (AFP)—Vietnamese officials will soon travel to Thailand, Indonesia and Malaysia to interview refugees who have fled the country by boat, a Foreign Ministry spokeswoman said here Thursday [5 July]. She said that delegations would visit the three countries "in the near future."

These would be the first Vietnamese delegations to visit the three countries to interview refugees, she said, while noting that officials from here had already visited Hong Kong to interview boatpeople who might want to return home.

The spokeswoman also said that up to June 26 a total 3,169 Vietnamese boat people had returned here voluntarily from Hong Kong. The repatriation scheme was set up by the United Nations High Commissioner for Refugees in March 1989. The British colony is currently home to almost 60,000 boat people, most of whom are likely to be classified as economic migrants liable to mandatory repatriation.

Central Committee Greets 28th CPSU Congress

BK0407053190 Hanoi Domestic Service in Vietnamese 1430 GMT 1 Jul 90

[Text] On 30 June, the Communist Party of Vietnam [CPV] Central Committee sent a message of greetings to the 28th Congress of the Communist Party of the Soviet Union.

The message says in part: The CPSU 28th Congress is an important event in the political life of the Soviet working class and people. It is also an event of international significance.

During the past 90 years, the CPSU, founded and forged by Lenin, has led the Soviet working class and people to many victories, especially the Great October Socialist Revolution which ushered in a new era of socialism and communism in the history of mankind.

The glorious victory scored by the Soviet Red Army in the great war for national defense has helped nations of the world get rid of the scourge of fascism and save mankind's civilization from being annihilated, and has helped dozens of countries to advance along the socialist path and hundreds of nations to fight for independence, thereby creating favorable conditions for the struggle of countries in the world for peace, national independence,

and social progress. The world people have forever remembered these great contributions of the Soviet party, government, and people.

After World War II, the Soviet people, with their great efforts to quickly overcome the consequences of the war, built the Union of Soviet Socialist Republics into a strong socialist superpower, a firm bulwark for peace and the world revolution.

To lead socialism into a new developmental stage, the 27th CPSU Congress set forth the restructuring strategy which aimed at making the Soviet Union more prosperous and strong in order to make more positive contributions to the cause of peace, national independence, and socialism throughout the world.

The message further states: The Vietnamese communists and people are very happy to note that the relations of friendship and cooperation between our two parties and peoples have been consistently consolidated and developed. Today, the relations of friendship and all-around cooperation between Vietnam and the Soviet Union have entered a new stage of development and renovation, aimed at enhancing cooperation in order to suit the present situation in each country and in the world. The Vietnamese people profoundly realize that the victories scored by Vietnam during the past half century have always been attached to the wholehearted support and effective assistance extended to them by the fraternal Soviet party, government, and people in the spirit of pure socialist internationalism.

On this occasion, on behalf of the CPV and the Vietnamese working class and people, we would like to express our sincere, profound gratitude to the fraternal Soviet party, government, and people for their valuable support and assistance. The Vietnamese party and people are convinced that, under the CPSU leadership, the heroic and creative Soviet people with their unyielding revolutionary tradition will overcome all difficulties and ordeals, triumphantly carry out the restructuring task, and successfully consolidate socialism, thereby contributing more effectively to the cause of peace, security, and social progress in the world.

We wish the 28th CPSU Congress great success!

May the great friendship, militant solidarity, and all-around cooperation between our two parties and people last forever!

Exim Bank Forms Ties With Foreign Institutions

BK3006082790 Hanoi VNA in English 0724 GMT 30 Jun 90

[Text] Hanoi VNA June 30—The Vietnam Export-Import Bank (Exim Bank) has over the past five months from its foundation granted loans to production and export-import institutions totalling 236 billion dong (Vietnamese currency); so far, the Exim Bank has established relations with eight banks of France, Singapore, Hong Kong and Japan. It is going to establish ties with 14 other banks of Australia, the Federal Republic of Germany, Indonesia, South Korea and Thailand.

The Exim Bank has agreed with the Credit Lyonnais and Banque Indo-Suez to transfer remittances sent by overseas Vietnamese to their relatives in the country through their branches in France, America, Canada and Australia. Overseas Vietnamese in Western Europe, northern Europe and Southeast Asia may send remittances to Vietnam through branches of the Credit Lyonnais and Banque Indo-Suez.

Party-People Relations in Revolution Viewed

BK1906133390 Hanoi TAP CHI CONG SAN in Vietnamese May 90 pp 9-16

[Editorial: "The Flesh-and-Blood Relations Between the Party and the People—the Factor Deciding All Victories of the Revolution"]

[Text] Our party is the only leader of the revolution and is also the only genuine vanguard brigade of the Vietnamese working class and laboring people. Our party is a party of the people, by the people, and for the people. The party has no interest other than that of the working class and the laboring people. The party does not take this obligation for itself nor does it impose its subjective will on the people and the nation; rather, history and the people have delegated this obligation to the party because it has won their recognition and trust.

Over the decades, our party has lived up to the nation's trust, for it has succeeded in directing the people to develop their great strength and score glorious victories: namely, successfully accomplishing the August 1945 Revolution that overthrew the imperialist and feudalist ruling yoke; triumphing over the two major imperialist powers—the French and the Americans; achieving the cause of national liberation and unification; advancing the entire country toward socialism; firmly defending the fatherland; and fulfilling the internationalist duty.

All these victories of great historic significance have ushered our nation into a new era of contemporary history. These victories have made the relations between the party and the people much closer, like flesh and blood. The party needs the people, and the people need the party. The party trusts the people, and the people trust the party. Any action, intentional or unintentional, or any attempt to undermine this fine relationship by separating the party from the people, placing the party above or outside the people, or, conversely, placing the people above the party in a demagogic fashion harmful to the party and the people, must be criticized and done away with.

Naturally, the party-led revolution is not always crowned with victories; there are also stumbles and even serious mistakes. For instance, there were mistakes in land reform and in organizational rectification in the stage of national democratic revolution. Following the great

spring victory of 1975 when the entire country embarked on the stage of socialist revolution, the party—overjoyed by the victory—became subjective and willful. It committed major mistakes of strategic importance in deciding its policies and lines and in providing guidance for work implementation. The sixth national party congress laid down general lines and provided economic guidelines for the entire period of transition to socialism. However, it failed to correctly determine the course and objectives for the initial stage. Many socioeconomic norms were set too high, considering the actual capabilities. The fifth national party congress further substantiated the political lines for the stage lying ahead of it and emphatically considered agricultural development as a foremost task. However, there was still a failure to overcome the state of haste and conservatism as overwhelmingly seen in various policies on socialist reform, in the building of an economic structure and an economic management mechanism. The process of directing the implementation of various resolutions also displayed many deficiencies. It is especially noted that the readjustment of prices in 1981 and then the general drive for readjustment of prices, wages, and currency in 1985 yielded many very grave consequences. In the mid-eighties, the socioeconomic situation in our country was practically beset with crisis, and there were acute difficulties facing the people's lives. Adding to this situation, undemocratic practices were found to be serious in various areas. More than a few party members became degraded and deviant. For instance, they bullied and persecuted the masses, misappropriated public property to seek ill-gotten wealth, and led a slavish and decadent life at the expense of the laboring people. All these instances have eroded the people's confidence in the party and created a rift in the relationship between the party and the people.

While providing leadership for the revolution, it is impossible for the party to avoid mistakes. What is important is that the party must constantly uphold its sense of responsibility toward the working class and the nation. It must rely on the people, trust the people, courageously admit its shortcomings before the people, and resolutely correct these shortcomings. The sixth national party congress fully demonstrated this sense of responsibility: The party frankly analyzed various mistakes and shortcomings, pointing out reasons that led to this situation and major lessons that had been learned. It also affirmed general objectives and guidelines for the initial stage as well as specific socioeconomic tasks for the coming five-year period. The congress also set forth guidelines for renovation—a comprehensive renovation in various areas ranging from economic and political to ideological, cultural, and social, in order to get rid of old thinking and antiquated ways of doing things. The renovation is centered in the economic domain, involving the restructuring of production and investment in the direction of concentrating on the three major economic programs, developing the multisectoral economy, linking reform with the use of nongovernmental economic components, discarding the mechanism of bureaucratic centralism and state subsidies, vigorously shifting to socialist business cost accounting, and making full use of commodity-monetary relations and market relations in an economy under macroplanning. Politically, the congress emphasized the need to democratize the entire social life; renovate the programs and working methods of the party, the state, and mass organizations; improve organizational and personnel affairs; and vigorously develop democratic activities and the people's enthusiasm and creativity in keeping with the spirit of "regarding the people as the roots."

It can be said that the renovative line laid down by the sixth party congress is in line with the law and the people's aspirations. That is why it has been welcomed and positively responded to by the people. The popular movement for revolutionary action has been rekindled.

At present, three years after implementing the renovative line, the socioeconomic situation in our country has further improved. Production has developed, inflation has been dispelled and contained, the currency's value has increased, the phenomenon of skyrocketing price increases is over, and the people's lives have, in general, been less difficult. Socially, negative phenomena have been condemned and properly dealt with. Politically, it is especially noted that socialist democracy has been broadened even more than before. Democratic institutions now have true authority. In a word, the socioeconomic picture has become much brighter, and the people's confidence in the party has begun to be restored. However, we should not become subjective and self-satisfied. This is because all the successes are just the beginning, conditions are not steady yet, and there remain numerous unstable factors. Furthermore, in the process of renovation, more new differences will definitely arise, requiring us to remain alert to deal with them effectively.

Only when the party gets hold of the people and is supported by the people and when the relations between the party and the people become close like flesh and blood can the party-led revolutionary undertaking develop finely and produce steady results.

Working out guidelines and policies suitable to each revolutionary stage to guide social progress will create premises for close ties between the party and the people.

Here are the most important qualities that the party must have: the ability to see far and wide, the ability to grasp those objective laws effecting conditions at present, the ability to accurately predict the evolution of these objective laws in the future, and the ability to promptly and correctly grasp the thinking and aspirations of the people of all strata and of all social classes and to meet their aspirations. This is the scrupulous attitude to be adopted when there is a need to listen to the people's opinions in order to promptly address

incorrect activities incorrect and to supplement inadequacies in order to perfect policies and lines. Because of these qualities, during various stages of the national democratic revolution, the party succeeded in gathering and leading a broad section of the masses in repeatedly scoring successes.

Today, in the socialist revolutionary stage, the party must further improve its quality if it is to deal effectively with the complexity of the revolution and the scale on which it is being conducted. Only by doing so can the party meet the even higher requirements of its revolutionary task. It is not easy to precisely and effectively determine the course and the steps to be taken in the renovation undertaking and to substantiate all the contents of the renovation undertaking in every area of social life. We advocate carrying out renovation in both economic and political fields, but in the initial stage of the renovation, the party has decided to concentrate its efforts on economic renovation, regarding this as the main task. This decision stems from the pressing needs of the people and also for political reasons. Of course, we should not carry out economic or political renovation in a simplistic and neglectful fashion. This is because politics plays a decisive role in the leadership and also because political renovation should be carried out in a very cautious and determined fashion in order to prevent social instability from occurring and to ensure favorable conditions for the renovation in the entire country. Various supervisory steps and actions taken by the party have been endorsed by the people and have proven by reality to be correct. There is no easier way to cause frustration and a rapid collapse of the people's confidence than to hastily adopt solutions which may produce results contrary to what have been promised. We should not harbor any illusion nor should we create an illusion among the people. Illusion is always accompanied by frustration.

Democratization of the Entire Social Life

Carrying out democratization means ensuring the people's right to be real masters in all domains of their social life and to develop to the fullest their socio-political enthusiasm and creativity in the cause of building socialism and defending the socialist fatherland. Carrying out democratization means returning to the people their role of being masters in management and not turning the people into a target for mangement.

Since the sixth national party congress, socialist democracy in our country has made much progress, especially in the economic field. The multisectoral economic policy; the contract policy in agriculture; the policy of delivering forests and forestland to peasants for management in agriculture; the granting of autonomy to enterprises in production and business; the application of the one-market, one-price system and the system of buying and selling at agreed upon price; and the remarkable reduction or abolition of many norms, etc.... have made more conspicuous the role of various labor collectives and the laboring people as masters in economic management, production, and trade business. In various aspects of the political, cultural, and spiritual life, there have been initial changes for the better in the direction of democratization. Party institutions, mass organizations, and state organs of power have shown great effort in creating various mechanisms charged with developing democracy. It is regrettable that these changes are not numerous, widespread, or profound enough. Democratic principles continue to be seriously violated. Violations against citizens' rights as seen in various aspects of social life have existed in the very internal activities of the party, state organs, and mass organizations.

To carry out social democratization, we must first carry out democratization within the party. Hierarchical problems in a party committee are not a rarity. The standing committee of a party committee has been given more power than the party committee itself. As for the standing committee, its secretary holds the highest authority. It is because of this that there has existed feelings of paternalism in the party. No one dares to speak against the will of his boss. Just a minor blunder is enough to receive persecution. If there is a lack of democracy within the party, how can there be democracy in the society? A lack of democracy will cause the party and its leaders to increasingly lose their sensitivity to what is taking place in real life, their credibility in the minds of the people, and their ability to react in a sensitive fashion to all contingencies.

To democratize all aspects of social life we must begin with democratization within the party. We must see to it that all party members have the right to participate in deciding the major affairs of the party, to fully express their opinions and viewpoints, to freely hold discussions and debates and make criticisms, to retain their opinions when they belong to the minority, and so forth. Naturally, democracy within the party is not unprincipled democracy but democracy that is closely associated with centralism, discipline, and responsibility. Party members are not permitted to speak and act at variance with party resolutions. Whatever their positions, party members should neither make unwarranted statements nor engage in factional activities that may cause internal disunity. Democracy and freedom within the party does not mean to undermine but to ensure ideological and organizational unity.

To democratize society and truly ensure the people's right to mastery, it is unavoidable not to practice dictatorship toward those who oppose the people. Democracy cannot exist where power abusers, corrupt elements, thieves of public properties, speculators, smugglers, and hooligans are given a free hand to undermine security and social order.

The more democracy is broadened, the more we must pay attention to centralism. Democracy and centralism are two sides of a democratic system. We oppose bureaucratic centralism but not correct centralism—centralism that is based on democracy. Centralism is the concrete

manifestation of the requirements for the awareness of responsibility, the sense of organization and discipline, and respect for order and the law—factors that are indispensable to a democratic system. If not guaranteed by law, discipline, and order, democracy will only exist as slogans and cannot be realized.

To democratize society we must not fail to improve the people's knowledge. It is necessary first of all to improve the people's knowledge of democracy and the law. Democracy is simultaneously a human value and a social institution; it bears both human and class characteristics. The level of democracy corresponds with the level of civilization. Without civilization, democracy cannot exist; to realize democracy is, in effect, to advance toward civilization. Democracy is defined as the forms of existence and management of modern society. Today, democracy is understood either as bourgeois democracy or as socialist democracy; there is no general, unlimited democracy. Democracy in our country is socialist democracy—democracy of the majority—under which true power belongs to the laboring people who are managers of society. Bourgeois democracy goes together with bourgeois dictatorship, and socialist democracy with proletarian dictatorship. In evaluating the democratic level of a certain social system, we must see how the slogans of that system are put into practice instead of simply learning what they are. The capitalist system puts forward very attractive slogans regarding democracy; but this is merely "a trap and a lure to trick the exploited and the poor." (Footnote) (V.I. Lenin: "Complete Works," Progress Publishing House, Moscow, 1978, Vol. 37, p 305) It is necessary to equip the general masses with a basic knowledge of democracy, for incomplete understanding of democracy and the law often leads to either of the following scenarios: One, the masses do not struggle for the restoration of their violated rights because they are unaware of their rights; two, they are taken advantage of and instigated by the enemy to start an unprincipled struggle and take extreme action.

Renovate Party Leadership Over Organs of State Power, the Fatherland Front, Mass Societies, and Social Organizations of the People

Many people have, for a long time now, incorrectly understood the concept of "a ruling party." They think that a ruling party must control everything. In fact, the party is merely the leader, and the people must be the ones who rule. The people rule through the organs representing their power, which are the central state and the local administrations at various levels.

In the current conditions, to satisfactorily resolve the relations between the party and people we must first of all and in the main resolve the relationship between the party and the state. To satisfactorily resolve the relationship between the party and the state is to help strengthen the relations between the party and the people and develop socialist democracy. It is necessary to make a distinction between leadership and management. The function of socioeconomic management belongs to the state. The party leads the state, but it must operate within the framework of the constitution and the law of the state. Party organizations at all levels should not take over affairs that fall under the jurisdiction of the state. The party exercises its leadership over the state through a democratic mechanism established by law and through the impact created by the activities of party members serving in the state apparatus.

In the new situation, the party should pay special attention to the cause of all-nation unity through the Fatherland Front. Party committee echelons from the central to the grass-roots level must strengthen their close relationship with the front; send their representatives to meetings held by the front to hear the views of delegates of front members and people of all walks of life and present the party's viewpoints, policies, and suggestions as concerns the front; and satisfactorily organize dialogues, democratic consultations, and coordination and synchronization of actions between the party and the various societies, organizations, and members of the front.

Mass societies and social organizations play a very important role in organizing the mass movement to participate in state management, to develop the people's right to mastery, and to care for and protect the laboring people's legitimate interests. The party should direct efforts to renovate the activities of mass societies and social organizations toward uniting their members in a concerted effort to care for their specific and diverse interests while encouraging the people to contribute to the common cause of the revolution. With their material and spiritual interests being met in a realistic manner and their legitimate interests protected, members will feel attached to their mass societies and social organizations in particular and the party in general.

The party leads the state, the Fatherland Front, mass societies, and social organizations by establishing a platform and strategic lines, which consist of defining the basic objectives of the revolution, devising fundamental domestic and foreign policies, setting operational orientations for member organizations of the political system; by closely following up on practical activities, which consist of reviewing the actual situation, supplementing and perfecting policies and lines, and promptly changing or readjusting policies that are found to be removed from realities; and by taking care of cadre-related work, which consists of grooming cadres for key leading positions in the state apparatus and nominating cadres for election to elective organs and mass societies through a democratic process without pressure or imposition.

Revamping the Party

Revolution is an undertaking of the masses. The renovation process of a revolutionary nature initiated by the party is also an undertaking of the masses, and this cannot be otherwise. The party must live in the people's hearts. To do this the party must, as a matter of course, revamp itself. Party revamping must be carried out with regard to ideology, organization, cadres, and operational

methods. As an immediate step, attention should be focused on the tasks cited below.

Continue to carry out more actively Political Bureau Resolution No. 04 by urging the entire party and people to combat corruption and squandering public assets, indulgence in debauchery, and bullying the masses by a segment of party cadres and members or state employees. All those committing wrongdoings, whatever their position, should be dealt with judiciously. From now until the seventh national party congress, various echelons and sectors from the central down to the local levels must reexamine all cases—including new cases and those awaiting settlment—of violations of party discipline and the law and deal with them resolutely. It is necessary to establish stipulations and regulations banning the abuse of power in dealing with socialist property (such as handling public funds, bonuses, housing, and cars) and banning special privileges (such as giving priority consideration to one's own children and relatives for jobs with great benefits).

It is necessary to unfailingly improve the leadership skills and the militancy of party organizations at various levels, especially at the grass-roots level, because grass-roots party organizations serve as a bridge linking the party with the masses. Whether the people have confidence in the party and whether the party-people relationship is close will depend chiefly on grass-roots party organizations. The people will trust the party and truly follow it only when party organizations and party members at the grass roots truly set good examples for the people to follow.

It is necessary to rectify cadre work. Cadre work is especially important when the renovation is being carried out and the generational transition in the leadership is taking place. Today, one of the most important objectives of cadre work is to train and perfect the contingent of grass-roots cadres, for they have daily, direct contact with the people, introducing party and state policies and lines into life, and translating these policies and lines into revolutionary actions of the public at large. Facts show that wherever there is a contingent of steadfast grass-roots cadres—especially backbone cadres—the revolutionary movement will develop well in all respects. Until the seventh national party congress, various echelons and sectors must take positive steps to provide training for the contingent of grass-roots cadres to improve their general knowledge, especially in managing the economy and the state by law, and to carry out party-building and mass motivation. Meanwhile, efforts must be made to reexamine and reevaluate the contingent of grass-roots cadres to promptly replace those failing to meet work requirements or deliberately misinterpreting or refusing to comply with the party's lines and resolutions and the state's policies and laws; those committing serious mistakes and shortcomings in conduct, dignity, ethics, and lifestyle; and those losing credibility among the masses. In this reexamination, it is necessary to have close guidance and to attentively listen to the people's opinions. This reexamination must be carried out in a truly democratic, open, objective, and scientific fashion.

It is necessary to rectify the contingent of party members because the qualities of the party are inseparable from those of its members. To improve the qualities of party members, it is necessary to clearly define the norms for party members for the current revolutionary phase. More concretely, we must define essential qualities required from a party member in the renovation undertaking. On the basis of these specific qualities, we must screen party members. Those no longer qualifying for party membership must be resolutely removed from the party. The removal of unqualified members from the party must be primarily directed at miscreants, opportunists, degenerates, deviants, nepotists, the corrupt, the unorganized, the undisciplined, etc... as they may have a negative effect on the relationship between the party and the people.

It is necessary to renovate the working attitude of party members. Each party member must cultivate for himself the habit of staying close to the masses and a simple lifestyle that can blend with the masses. The higher the position of a party member, the more exemplary his behavior should be as a communist. It is necessary to abolish unnecessary stipulations and formalities, for they may alienate the people from party members and the leading cadres from people under their leadership. The Ho Chi Minh attitude must be the attitude of each member of the Communist Party of Vietnam.

Decision on Anticorruption Struggle Issued

BK0307075590 Hanoi VNA in English 0711 GMT 3 Jul 90

[Text] Hanoi VNA July 3—The chairman of the Vietnamese Council of Ministers on June 26 signed a decision "on the struggle against corruption."

The decision was made in furtherance of the resolution of the CPV Political Bureau in September 1987 on the campaign "to purify party organisations and state apparatus and enhance their combat strength, and make social relations healthy" and the resolution of the Party Central Committee's 8th Plenum in March 1990 on the struggle against negative phenomena, especially corruption.

The struggle is spearheaded at all manifestations and practices of corruption, embezzlement, bribery, deliberate misinterpretation of policies and laws and wasteful use of state money and property. To this end, the decision says, the fight against corruption should be carried out regularly and widely in all economic institutions, state offices, army and security units, political organizations and social organizations with no exception. Special attention should be paid to offices and establishments directly relating to the control and supply of money, goods, rare materials and foreign currencies and to projects attracting large amounts of capital.

The national newspaper NHAN DAN today runs an editorial calling on the entire party and people to take active part in the anti-corruption campaign now unfolding across the country.

Mai Chi Tho Attends Interior Ministry Seminar

BK2906141490 Hanoi Domestic Service in Vietnamese 1430 GMT 27 Jun 90

[Text] The Ministry of Interior recently held a seminar on the management and rehabilitation of criminals in light of the present situation. Comrade Mai Chi Tho, member of the Party Central Committee Political Bureau and minister of interior, attended and addressed the seminar.

After more than a year of implementing directive no. 123 of the Ministry of Interior, changes have begun to take place in the management, education, and rehabilitation of criminals, especially in the adoption of various policies and systems in the detention and reeducation of these elements. Despite numerous difficulties, all detention and reeducation camps have exerted efforts in securing grain and food by themselves for the improvement in the daily nutrition of criminals.

Army Paper Hails Success of Assembly Session

BK0207075090 Hanoi International Service in English 1000 GMT 1 Jul 90

[Text] The Vietnamese Army paper QUAN DOI NHAN DAN said that the seventh session of the Vietnamese National Assembly, eighth legislature, ended successfully.

In its editorial on Sunday, 1 July, the army newspaper noted that the unanimous adoption of some laws, the assessment of the situation in Vietnam over the past six months, and the ratification of the tasks of the last six months constituted a ground for the unanimous approval of the entire society, thus stabilizing the social economy and making the renovation a success.

State Enterprises' Budget Contributions Viewed

BK2906133590 Hanoi Domestic Service in Vietnamese 0500 GMT 27 Jun 90

[Text] According to the State Revenue Department's estimation, during the first six months of this year, all state-run enterprises turned in to the state budget 780 billion dong, representing 47.6 percent of the annual plan.

Progress has been made in state revenue due to the fact that many enteprises have gradually applied the new management mechanism, thereby enabling them to begin to derive profits from their production and business activities. Compared with the same period last year, the output of many goods has increased by a relatively high percentage.

However, the situation of shortfalls in budget contribution in the state-run sector remains relatively serious. Budget contributions of the home trade sector for the first half of 1990 represented only 16 percent of the annual planned norm. Many units in the grain sector asked for a state supply of a few to tens of billions of dong to compensate for their losses. While some ministries had not set budget contribution targets for their subordinate enterprises, those that had done so represented only 50 percent of the norms fixed by the state.

In many corporations and enterprises, violations of statistical accounting regulations took place on a relatively wide scale in numerous forms, such as concealing the figures of business income earned from selling goods, especially income from nonbasic [ngoaif caan banr] business. Meanwhile, many loopholes in the state revenue policies and systems had been dealt with in a limited manner, thus leading to a lack of justice and unity.

Farmers Nationwide Boost Rice Cultivation

BK0207160590 Hanoi VNA in English 1455 GMT 2 Jul 90

[Text] Hanoi VNA July 2—Farmers throughout the country have so far transplanted summer-autumn rice seedlings on 1,126,000 hectares, representing nearly [figure indistinct] percent of the plan or a six-percent increase over the corresponding period last year.

Meanwhile, autumn rice has been sowed in 360,120 [figure as received] hectares, including 166,530 hectares in the north and 193,490 hectares in the south.

CIDSE Project To Aid in Rural Development

BK3006091090 Hanoi VNA in English 0732 GMT 30 Jun 90

[Text] Hanoi VNA June 30—A project document for economic assistance to Phu Luong district of the northern mountain province of Bac Thai was signed there on June 28 by CIDSE [International Cooperation for Development and Solidarity] representative here, Ms. Marian Cadogan, and Tan Huu Dan, chairman of the Phu Luong District People's Committee.

Under the project, the Organization of International Cooperation for Development and Solidarity (CIDRPU) will help Phu Luong develop its rural and mountain economy.

This project, to be executed in three years will be started this month and aimed at increasing the local food output and livestock herd through concentration of bilateral efforts and funds on irrigation works, [words indistinct] facilities, rational use of fertilizers and insecticide, and personnel training.

This is one of the more than 30 CIDSE-assisted rural development projects in Bac Thai with a total amount of funds worth more than 932,000 US dollars.

UNDP-Funded Seminar on Energy Development

BK3006081390 Hanoi VNA in English 0703 GMT 30 Jun 90

[Text] Hanoi VNA June 30—A two-day seminar on new energy development in Vietnam has been held in Ho Chi Minh City with financial assistance from the United Nations Development Programme (UNDP).

The seminar was attended by specialists from all parts of the country and a team of UNDP specialists headed by Ph.D. Derek Lovejoy.

Eighteen reports presented by Vietnamese scientists dealt with the initial achievements in biogas, biomass, wind and solar energy and small-sized hydro-electric power. Foreign speakers reported on experiences of a number of countries in new energy development applicable to Vietnam.

The speakers pointed to the neccessity to develop new energy in rural, mountainous and midland areas lying far from the national power grid. They also called for state fund and international aid to develop the energy branch in Vietnam.

'Minority Groups' Resettled in 18 Districts

BK2806080190 Hanoi Domestic Service in Vietnamese 2300 GMT 26 Jun 90

[Text] To date, the central highland, central coastal, and eastern Nam Bo Provinces have resettled more than 725,000 people of various ethnic minority groups in 427 villages of 18 districts. This number accounts for 62 percent of the 1.159 million people under the resttlement program. These people have gradually stabilized their livelihood and developed their production. Meanwhile, numerous measures have been adopted by all the localities concerned to gradually stabilize and improve their socioeconomic life.

These provinces and districts have coordinated with the forestry sector in building many socioeconomic models in the resettlement areas, such as unions of forestry-industrial-agricultural enterprises in E Sup, Gia Nghia, Dac Lam, Lang Hanh, and Tra My, thus drawing tens of thousands of laborers on the spot into long-term forest exploitation. Apart from creating favorable conditions for these people to open up virgin land for the cultivation of wet rice and subsidiary and industrial crops, these provinces and districts have introduced advanced technology to the people of various nationalities.

Flash Floods Noted in Northern Border Province

OW0207230090 Hanoi VNA in English 1501 GMT 2 Jul 90

[Text] Hanoi VNA July 2—Five people were reportedly killed in the recent flash floods caused by torretial rains in the northern border province of Hoang Lien Son.

The raingauge in Van Chan District read 625 mm. The floods washed away many dwelling houses and 12,500 kg of seed rice, submerged 600 km of rice nearing harvest, and damaged two bridges.

The Executive Committee of the Vietnam Red Cross has sent eight million dong and a quantity of blankets, mosquito nets and medicines as relief aid to the population of the provinces of Lai Chau and Darlac also recently hit by floods.

Australia

Continued French Nuclear Testing Criticized

BK0507092590 Melbourne Overseas Service in English 0800 GMT 7 Jul 90

[Excerpt] Australia and New Zealand have repeated their opposition to French nuclear testing in the Pacific. Earlier today, France conducted its third nuclear test of the year at Mururoa Atoll.

Australia's foreign minister, Senator Gareth Evans, said it is deeply disappointing that the test program continues in the face of widespread opposition. [passage omitted]

New Zealand

Palmer Blasts Latest French Nuclear Test

BK0507035690 Hong Kong AFP in English 0340 GMT 5 Jul 90

[Text] Wellington, July 5 (AFP)—New Zealand Prime Minister Geoffrey Palmer strongly attacked France here Thursday [5 July] over its latest nuclear test in the South Pacific. France exploded a nuclear device at Mururoa Atoll in French Polynesia early Thursday (Wednesday GMT), the third such test this year.

An angry Mr. Palmer said New Zealand was running out of means to express condemnation.

"These tests go on and on and there is an unremitting policy of just ramming it down the throats of the countries in this region who object strongly to it," he said. "We just cannot tolerate it."

He said the South Pacific forum meeting at the end of July in Vanuatu would have a look at the issue and would probably renew a call to stop testing.

"France is flying in the face of the entire region on this question," he said.

Mr. Palmer said the world had changed greatly since France first began testing and he believed that on the current global scene there was no need for new nuclear weapons.

On Wednesday Disarmament and Arms Control Minister Fran Wilde welcomed an announcement that France would attend talks next month on curbing the spread of nuclear weapons. France has said it would send an observer to the talks in Geneva to review the 22-year-old nuclear non-proliferation treaty.

Mr. Palmer said Thursday that only "heaven knows" now why France was going to attend the talks while still conducting nuclear tests. "There is an inconsistency there and I just wish the French would change their policy."

Papua New Guinea

Opposition Proposes No-Confidence Vote

BK0407151690 Hong Kong AFP in English 1443 GMT 4 Jul 90

[Excerpts] Port Moresby, July 4 (AFP)—Papua New Guinea's opposition Wednesday [4 July] gave notice in parliament it would challenge Prime Minister Rabbie Namaliu's government in a vote of no-confidence next Thursday.

The motion, the third against Mr. Namaliu since he came to power two years ago, named opposition leader Paias Wingti as alternate prime minister.

The earlier two motions—in July 1989 and March this year—were both withdrawn, but the opposition claimed that a split in government ranks could deliver the numbers to ensure the motion's success.

A splinter group of government members had negotiated a lucrative deal with the opposition and those defecting could include "one or two" senior cabinet ministers, opposition members said.

Opposition member Iaro Lasaro said as he proposed the motion: "It is very apparent that the country is in desperate need for a change of government to redirect the course of Papua New Guinea.

"They (Mr. Namaliu and his government) have failed to come up with the right policies to address the many problems affecting the nation and the result of their ineffective policies can be seen in the ongoing Bougainville crisis." [passage omitted]

Since Bougainville declared its independence on May 17, Port Moresby has slapped a total blockade around the island. Proposed peace talks between Port Moresby and the Bougainville Revolutionary Army have failed to take place.

Finance Minister Paul Pora dismissed the no-confidence challenge. "They are not going to win this one," he said.